

Attorney or Party Name, Address, Telephone & FAX Nos., State Bar No. & Email Address  Lynda T. Bui, Trustee 3550 Vine Street, Suite 210 Riverside, California 92507 Telephone: (949) 340-3400 Facsimile: (949) 340-3000 Email: trustee.bui@shulmanbastian.com  Chapter 7 Trustee  <input type="checkbox"/> Individual appearing without attorney <input type="checkbox"/> Attorney for:	FOR COURT USE ONLY
<b>UNITED STATES BANKRUPTCY COURT CENTRAL DISTRICT OF CALIFORNIA - RIVERSIDE DIVISION</b>	
In re:  KEVIN NERI,        Debtor(s).	CASE NO.: 6:17-bk-10151-WJ CHAPTER: 7        <b>NOTICE OF SALE OF ESTATE PROPERTY</b>

<b>Sale Date:</b> 3/9/2021	<b>Time:</b> 1:00 pm
<b>Location:</b> Courtroom 304, U.S. Bankruptcy Court, 3420 Twelfth Street, Riverside, CA 92501	

**Type of Sale:** ☒ Public ☐ Private **Last date to file objections:** 2/23/2021

**Description of property to be sold:** Real property located at 555 South Indian Trail, Palm Springs, CA 92264

**Terms and conditions of sale:** See attached Sale Motion.

**Proposed sale price:** \$675,000.00, subject to overbids

This form is mandatory. It has been approved for use in the United States Bankruptcy Court for the Central District of California.

**Overbid procedure (if any):** Initial overbid of \$680,000.00, minimum bid increments thereafter shall be \$1,000.00

Overbids must be in writing and received by the Trustee on or before 5:00 pm (California time) on March 2, 2021.

Certified funds of at least 3% of the overbid purchase price must be delivered. (See attached for more information).

**If property is to be sold free and clear of liens or other interests, list date, time and location of hearing:**

3/9/2021 at 1:00 pm

United States Bankruptcy Court

Courtroom 304

3420 Twelfth Street

Riverside, CA 92501

**Contact person for potential bidders (include name, address, telephone, fax and/or email address):**

Lynda T. Bui, Chapter 7 Trustee

3550 Vine Street, Suite 210

Riverside, CA 92507

Telephone: (949) 340-3400

Facsimile: (949) 340-3000

Email: trustee.bui@shulmanbastian.com

Date: 02/16/2021

<p>Attorney or Party Name, Address, Telephone &amp; FAX Nos., State Bar No. &amp; Email Address</p> <p>Lynda T. Bui, Trustee 3550 Vine Street, Suite 210 Riverside, California 92507 Telephone: (949) 340-3400 Facsimile: (949) 340-3000 Email: trustee.bui@shulmanbastian.com</p> <p>Chapter 7 Trustee</p> <p><input type="checkbox"/> Individual appearing without attorney <input type="checkbox"/> Attorney for:</p>	<p>FOR COURT USE ONLY</p>
<p style="text-align: center;"><b>UNITED STATES BANKRUPTCY COURT CENTRAL DISTRICT OF CALIFORNIA - RIVERSIDE DIVISION</b></p>	
<p>In re:</p> <p>KEVIN NERI,</p> <p style="text-align: right;">Debtor(s).</p>	<p>CASE NO.: 6:17-bk-10151-WJ CHAPTER: 7</p>
	<p><b>NOTICE OF MOTION FOR:</b></p> <p>Chapter 7 Trustee's Motion for Order: (1) Approving the Sale of Real Property of the Estate Free and Clear of Certain Liens Pursuant to Bankruptcy Code §§ 363(b)(1), Subject to Overbids, Combined With Notice of Bidding Procedures et al.</p> <p><b>(Specify name of Motion)</b></p>
	<p>DATE: 03/09/2021 TIME: 1:00 pm COURTROOM: 304 PLACE: 3420 Twelfth Street Riverside, CA 92501</p>

1. TO (*specify name*): United States Trustee, Debtor, Creditors, Parties in Interest, and respective counsel
2. NOTICE IS HEREBY GIVEN that on the following date and time and in the indicated courtroom, Movant in the above-captioned matter will move this court for an Order granting the relief sought as set forth in the Motion and accompanying supporting documents served and filed herewith. Said Motion is based upon the grounds set forth in the attached Motion and accompanying documents.
3. **Your rights may be affected.** You should read these papers carefully and discuss them with your attorney, if you have one. (If you do not have an attorney, you may wish to consult one.)

4. **Deadline for Opposition Papers:** This Motion is being heard on regular notice pursuant to LBR 9013-1. If you wish to oppose this Motion, you must file a written response with the court and serve a copy of it upon the Movant or Movant's attorney at the address set forth above no less than fourteen (14) days prior to the above hearing date. If you fail to file a written response to this Motion within such time period, the court may treat such failure as a waiver of your right to oppose the Motion and may grant the requested relief.
5. **Hearing Date Obtained Pursuant to Judge's Self-Calendaring Procedure:** The undersigned hereby verifies that the above hearing date and time were available for this type of Motion according to the judge's self-calendaring procedures.

Date: 02/16/2021

\_\_\_\_\_  
Printed name of law firm

/s/ Lynda T. Bui  
Signature

Lynda T. Bui  
Printed name of attorney



1 Lynda T. Bui, Trustee  
3550 Vine Street, Suite 210  
2 Riverside, California 92507  
Telephone: (949) 340-3400  
3 Facsimile: (949) 340-3000  
Email: trustee.bui@shulmanbastian.com  
4

5 Chapter 7 Trustee  
6  
7

8 **UNITED STATES BANKRUPTCY COURT**  
9 **CENTRAL DISTRICT OF CALIFORNIA, RIVERSIDE DIVISION**  
10

11 In re

12 **KEVIN NERI,**

13 Debtor.  
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Case No. 6:17-bk-10151-WJ

Chapter 7

**CHAPTER 7 TRUSTEE'S MOTION FOR ORDER:**

**(1) APPROVING THE SALE OF REAL  
PROPERTY OF THE ESTATE FREE AND  
CLEAR OF LIENS PURSUANT TO  
BANKRUPTCY CODE §§ 363(b)(1),  
SUBJECT TO OVERBIDS, COMBINED  
WITH NOTICE OF BIDDING PROCEDURES  
AND REQUEST FOR APPROVAL OF THE  
BIDDING PROCEDURES UTILIZED;**

**(2) APPROVING PAYMENT OF REAL ESTATE  
COMMISSION AND OTHER COSTS; AND**

**(3) GRANTING RELATED RELIEF;**

**MEMORANDUM OF POINTS AND  
AUTHORITIES AND DECLARATION OF LYNDA  
T. BUI**

**[Real property located at 555 South Indian  
Trail, Palm Springs, CA]**

**Hearing Date:**

Date: March 9, 2021

Time: 1:00 p.m.

Place: Courtroom 304  
3420 Twelfth Street  
Riverside, CA 92501

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## TABLE OF CONTENTS

	<u>Page</u>
I. BACKGROUND .....	4
A. The Bankruptcy Case.....	4
B. The Property .....	4
C. The Conversion Stipulation and Order .....	5
D. Broker Employment, Marketing Efforts and Basis for Value of the Property.....	6
E. Sale Information in Compliance with LBR 6004-1(c)(3).....	7
II. RELIEF REQUESTED .....	8
A. Sale of the Property.....	8
B. Approval of the Bidding Procedures .....	9
III. LEGAL AUTHORITIES .....	11
A. There is a Good Business Reason for the Sale and the Sale is in the Best Interest of the Estate. ....	11
B. The Court has Authority to Waive the Fourteen-Day Stay of Sale. ....	13
IV. CONCLUSION .....	14
DECLARATION OF LYNDIA T. BUI .....	16

**TABLE OF AUTHORITIES**

**Page**

**CASES**

<i>In re Lionel Corp.</i> , 722 F.2d 1063, 1069 (2d Cir. 1983) .....	11
<i>In re Wilde Horse Enterprises, Inc.</i> , 136 B.R. 830, 841 (Bankr. C.D. Cal. 1991) .....	11

**STATUTES**

11 U.S.C. § 363(b) .....	11
11 U.S.C. § 363(m) .....	9
11 U.S.C. § 704 .....	11

**RULES**

Federal Rule of Bankruptcy Procedure 6004(h) .....	13, 14
LBR 6004-1(c)(3)(A) .....	7
Local Bankruptcy Rule 6004-1(c)(3) .....	7
Local Bankruptcy Rule 6004-1(c)(3)(B) .....	7
Local Bankruptcy Rule 6004-1(c)(3)(C) .....	7
Local Bankruptcy Rule 6004-1(c)(3)(D) .....	7
Local Bankruptcy Rule 6004-1(c)(3)(E) .....	7
Local Bankruptcy Rule 6004-1(c)(3)(F) .....	7
Local Bankruptcy Rule 6004-1(c)(3)(G) .....	8
Local Bankruptcy Rule 6004-1(c)(3)(H) .....	8
Local Bankruptcy Rule 6004-1(c)(3)(I) .....	8
Local Bankruptcy Rule 6004-1(c)(3)(J) .....	8

1 **TO THE HONORABLE WAYNE JOHNSON, UNITED STATES BANKRUPTCY JUDGE,**  
2 **THE OFFICE OF THE UNITED STATES TRUSTEE, THE DEBTOR AND HIS COUNSEL**  
3 **AND OTHER PARTIES-IN-INTEREST:**

4 Lynda T. Bui ("Trustee"), solely in her capacity as the Chapter 7 trustee for the  
5 bankruptcy estate ("Estate") of Kevin Neri ("Debtor"), brings this *Motion for Order: (1)*  
6 *Approving the Sale of Real Property of the Estate Free and Clear of Certain Liens Pursuant*  
7 *to Bankruptcy Code §§ 363(b)(1), Subject to Overbids, Combined With Notice of Bidding*  
8 *Procedures and Request for Approval of the Bidding Procedures Utilized; (2) Approving*  
9 *Payment of Real Estate Commission; and (3) Granting Related Relief* ("Sale Motion"), and  
10 respectfully represents as follows:

11 **I. BACKGROUND**

12 **A. The Bankruptcy Case**

13 The Debtor commenced this bankruptcy case under Chapter 7 by filing a Voluntary  
14 Petition on January 6, 2017. Lynda T. Bui is the duly appointed, qualified and acting  
15 Chapter 7 trustee for the Estate.

16 The deadline for filing claims in this case was July 10, 2017. As of February 16,  
17 2021, the Claims Register reflects eight claims filed totaling \$360,932.57, of which  
18 \$316,620.64 has been asserted as secured, \$12,668.92 has been asserted as priority and  
19 \$31,643.01 has been asserted as unsecured.

20 **B. The Property<sup>1</sup>**

21 Property of the Estate includes the Debtor's interest in the residential real property  
22 located at 555 South Indian Trail, Palm Springs, California ("Property") valued at  
23 \$375,000.00 on the Debtor's Schedule A/B. On his Schedule D, the Debtor lists a secured  
24 claim for Ocwen Loan Servicing, LLC in the amount of \$292,664.00. The Debtor claimed  
25

26 <sup>1</sup> Attached as **Exhibit 1** to the Declaration of Lynda T. Bui ("Bui Declaration") are true and correct copies of  
27 the Debtor's Schedule A/B and C filed on January 18, 2017 and Amended Schedule D filed on November  
28 13, 2017. Attached as **Exhibit 2** to the Bui Declaration is a true and correct copy of a title report on the  
Property which lists the liens and encumbrances impacting the Property.

1 an exemption in the Property in the amount of \$75,000.00 pursuant to California Code of  
2 Civil Procedure § 704.730.

3 **C. The Conversion Stipulation and Order**

4 To accommodate the Debtor's desire to retain the Property and preserve the equity  
5 therein, the Trustee and the Debtor entered into that certain *Stipulation Between the*  
6 *Chapter 7 Trustee and the Debtor Regarding Conversion of the Chapter 7 to Chapter 13*  
7 *Under 11 U.S.C. § 706(a)* ("Stipulation") (docket number 49), with certain conditions,  
8 including: (1) that the Debtor pay the Trustee's allowed fees and costs through his Chapter  
9 13 case as a priority administrative claim; and (2) that if the Debtor is unable to confirm a  
10 Chapter 13 plan or be unable to make the payments proposed in his Chapter 13 plan,  
11 rather than dismissing the case, the case shall be reconverted to one under Chapter 7 and  
12 the Trustee will be reappointed. The Stipulation was approved by Court Order entered  
13 August 30, 2017 (docket number 50).

14 Following the filing of the Debtor's *Motion to Convert Case* from Chapter 7 to  
15 Chapter 13, the case was converted to a Chapter 13 on October 2, 2017. On November  
16 20, 2017, an Order was entered confirming the Debtor's Chapter 13 Plan. During the  
17 Chapter 13, the Chapter 13 Trustee has filed six separate motions to dismiss, at least half  
18 of which were based on a material default in plan payments.

19 Due to the Debtor's inability to make regular monthly payments directly to the  
20 mortgage company, the Debtor defaulted under the terms of the Stipulation as well as the  
21 confirmed Chapter 13 plan. Following the entry of the Court's *Memorandum of Decision*  
22 on December 7, 2020 (docket number 142), the case was converted back to Chapter 7  
23 pursuant to Court Order entered December 7, 2020 (docket number 143) and the Trustee  
24 was reappointed as the Chapter 7 trustee for the Estate.

25 The first lienholder, U.S. Bank N.A. brought a motion for relief from the automatic  
26 stay in the Chapter 13, which since has been taken off calendar because the Trustee  
27 indicated she would administer the Property.

28 ///

**D. Broker Employment, Marketing Efforts and Basis for Value of the Property**

Upon the Trustee's Application<sup>2</sup> and pursuant to Court order entered on January 21, 2021, the Trustee was authorized to employ Richard A. Halderman, Jr., as her real estate broker ("Broker") to assist with the marketing and sale of the Property. The listing agreement with the Broker provides for a real estate commission to be paid upon the sale of the Property in an amount not to exceed 6% of the sale price.

The Estate does not have the funds to obtain a formal written appraisal for the estimated value of the Property. The Broker has more than twenty years of experience in the sale of real property as well as property valuations and is familiar with valuing real property in today's economic environment. The Broker reviewed the Property and believed that the Property had a fair market value of \$659,000.00 based on the condition and location of the Property.

The Property has been on the market since mid December 2020. On or about January 11, 2021, the Trustee received an offer from Bryan Burch and Mark Wensel (collectively, "Buyer") to purchase the Property for \$675,000.00<sup>3</sup>, subject to overbids and Court approval. The offer from the Buyer is the first acceptable offer that has been received and is result of negotiations between the Trustee and the Buyer for the highest and best offer. All contingencies since then have been removed and the Buyer is ready to proceed with the sale.

The Trustee believes that the proposed sale, subject to overbids, will be at fair market value. Given that the sale is subject to overbids, it is anticipated that the Trustee will receive the best and highest value for the Property and therefore the proposed sale price is fair and reasonable.

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<sup>2</sup> On December 31, 2020, the Trustee filed an Application for an Order Authorizing Employment of Richard A. Halderman, Jr., as Real Estate Broker ("Application").

<sup>3</sup> The offer also includes an escalation clause of \$1,750.00 over the next highest offer up to \$720,000.00.

**E. Sale Information in Compliance with LBR 6004-1(c)(3)**

The following chart provides information on the sale in compliance with Local Bankruptcy Rule ("LBR") 6004-1(c)(3):

<b>LBR 6004-1(c)(3) Requirement</b>	<b>Information</b>
LBR 6004-1(c)(3)(A) Date, Time, and Place of hearing on the proposed sale:	Hearing Date and Time: March 9, 2021 at 1:00 p.m. Hearing Place: U.S. Bankruptcy Court, Courtroom 304, 3420 Twelfth Street, Riverside, CA 92501
LBR 6004-1(c)(3)(B) Name and address of the proposed buyer:	Bryan Burch and Mark Wensel whose address is 314 NE 61 Ave, Portland, OR 97213
LBR 6004-1(c)(3)(C) Description of the property to be sold:	Real property located at: 555 S. Indian Trail, Palm Springs, CA 92264
LBR 6004-1(c)(3)(D) Terms and conditions of the proposed sale, including the price and all contingencies:	Buyer has offered \$675,000.00, subject to the Bidding Procedures. Buyer is paying all cash and is purchasing the Property "AS IS" without warranties of any kind, expressed or implied, being given by the Trustee, concerning the condition of the Property or the quality of the title thereto, or any other matters relating to the Property.
LBR 6004-1(c)(3)(E) Whether the proposed sale is free and clear of liens, claims or interests, or subject to them, and a description of all such liens, claims or interests:	Liens impacting the Property are identified in the title report attached as <b>Exhibit 2</b> annexed to the Declaration of Lynda T. Bui in support of the Motion and set forth herein. Pro-rata unpaid real property taxes will be paid. The liens of the secured creditors will be paid in amounts as agreed to by the secured creditors and such liens will be released.  To the extent there are disputed unresolved liens, such unresolved liens, if any, will attach to the proceeds of the sale in the same validity and priority as prior to the sale, pending agreement with the lienholder or further Court order.
LBR 6004-1(c)(3)(F) Whether the proposed sale is subject to higher and better bids:	The sale of the Property is subject to the Bidding Procedures set forth in the Sale Motion below.

LBR 6004-1(c)(3) Requirement	Information
<p>LBR 6004-1(c)(3)(G) Consideration to be received by the Estate, including estimated commissions, fees and other costs of sale:</p>	<p>Purchase price of \$675,000.00, or an amount as increased by successful overbid. All costs of sale, including escrow fees and real estate commissions will be paid at closing and are estimated to total approximately \$54,000.00 (includes an estimated 2% of the purchase price). The Estate and the Buyer will each pay their own escrow fees as is customary in the County where the Property is located. The Trustee estimates that after payment of the costs of sale and application of the Debtor's Homestead Exemption, the net proceeds from the sale will be approximately \$179,774.00. The sale price and costs of sale are subject to Bankruptcy Court approval.</p>
<p>LBR 6004-1(c)(3)(H) If authorization is sought to pay commission, the identity of the auctioneer, broker, or sales agent and the amount or percentage of the proposed commission to be paid:</p>	<p>The real estate broker commission shall not exceed 6% of the purchase price, to be split between the Trustee's Broker and the Buyer's Broker, Geoffrey Moore of Town Real Estate, with each receiving 3% (or \$20,250.00).</p>
<p>LBR 6004-1(c)(3)(I) A description of the estimated or possible tax consequences to the Estate, if known, and how any tax liability generated by the sale of the property will be paid:</p>	<p>Given that the Property had been the Debtor's residence, the Estate may be entitled to capital gains exclusions such that the Trustee does not expect to pay capital gains taxes on the sale.</p>
<p>LBR 6004-1(c)(3)(J) Date which objection must be filed and served:</p>	<p><b>Objections, if any, must be filed and served 14 days prior to the Hearing Date (or by February 23, 2021).</b></p>

## II. RELIEF REQUESTED

### A. Sale of the Property

The Buyer has offered to purchase the Property for \$675,000.00, subject to overbids. Attached as **Exhibit 3** to the Bui Declaration is true and correct copy of the Residential Purchase Agreement and Joint Escrow Instructions and related addendums (collectively the "Agreement"). Through the Sale Motion, the Trustee seeks a Court order that provides for the following:

1. Authorizing the Trustee to sell the Property to the Buyer on an "as-is" condition, with no expressed or implied warranties, pursuant to the terms and conditions as set forth in the Agreement, subject to the Bidding Procedures set forth below, and for approval of the Bidding Procedures utilized.



2. Authorizing the sale of the Property free and clear of liens with liens not satisfied through the sale (if any) to attach to the sale proceeds in the same validity and priority as prior to the closing of the sale.

3. Authorizing the Trustee to sign any and all documents convenient and necessary in pursuit of the sale as set forth above, including but not limited to any and all conveyances contemplated by the Agreement.

4. Approving the payment of the real estate commission in the total amount not to exceed 6% (a commission of \$40,500.00 based on the Buyer's offer of \$675,000.00) to be equally split between the Broker and the Buyer's Broker, Geoffrey Moore of Town Real Estate.

5. Authorizing the Trustee to pay the following from the sale proceeds through escrow: (i) real estate taxes, (ii) amounts owed to current beneficiaries of the deed of trust impacting the Property, and (iii) escrow fees and other costs of sale to be split between the Buyer and the Estate in the manner customary in Riverside County, California where the Property is located.

6. A determination by the Court that the Buyer is in good faith pursuant to Bankruptcy Code Section 363(m).

7. Waiving the fourteen day stay of the order approving the sale of the Property under Federal Rules of Bankruptcy Procedure 6004(h).

8. Upon closing of the sale, authorizing the Trustee to pay the Debtor's Homestead Exemption.

**B. Approval of the Bidding Procedures**

The Trustee has determined that it would benefit the Estate to permit all interested parties to receive information and bid for the Property instead of selling the Property to the Buyers on an exclusive basis. Accordingly, in order to obtain the highest and best offer for the benefit of the creditors of this Estate, the Trustee is utilizing and also seeks Court approval of the following bidding procedures ("Bidding Procedures"):

1. Potential bidders must bid an initial amount of at least \$5,000 over the Purchase Price, (or **\$680,000.00**). Minimum bid increments thereafter shall be \$1,000. The Trustee shall have sole discretion in determining which overbid is the best for the Estate and will seek approval from the Court of the same.

2. Bids must be in writing and be received by the Trustee on or before **5:00 p.m. (California time) on March 2, 2021 (seven days prior to the hearing on the Sale Motion)**.

3. Bids must be accompanied by certified funds in an amount equal to three percent of the overbid purchase price.

4. The bidder must also provide evidence of having sufficient specifically committed funds to complete the transaction or a lending commitment for the bid amount and such other documentation relevant to the bidder's ability to qualify as the purchaser of

1 Property and ability to close the sale and immediately and unconditionally pay the winning  
2 bid purchase price at closing.

3 5. The bidder must seek to acquire the Property on terms and conditions not  
4 less favorable to the Estate than the terms and conditions to which the Buyer has agreed  
5 to purchase the Property as set forth in the Agreement with the Buyer, including no  
6 contingencies and closing on the sale in the same time parameters as the Buyer and  
7 Buyer's Broker.

8 6. All competing bids must acknowledge that the Property is being sold on an  
9 "AS IS" basis without warranties of any kind, expressed or implied, being given by the  
10 Seller, concerning the condition of the Property or the quality of the title thereto, or any  
11 other matters relating to the Property. The competing bidder must represent and warrant  
12 that he/she is purchasing the Property as a result of their own investigations and are not  
13 buying the Property pursuant to any representation made by any broker, agent, accountant,  
14 attorney or employee acting at the direction, or on the behalf of the Seller. The competing  
15 bidder must acknowledge that he/she has inspected the Property, and upon closing of  
16 Escrow governed by the Agreement, the competing bid buyer forever waives, for  
17 himself/herself, their heirs, successors and assigns, all claims against the Debtor, his  
18 attorneys, agents and employees, the Estate, Lynda T. Bui as Trustee and individually,  
19 and the law firm of which she is associated, Shulman Bastian Friedman & Bui LLP, her  
20 agents and employees, arising or which might otherwise arise in the future concerning the  
21 Property.

22 7. If overbids are received, the final bidding round shall be held at the hearing  
23 on the Sale Motion (**March 9, 2021 at 1:00 p.m., California Time, at the U.S. Bankruptcy  
24 Court, Courtroom 304, 3420 Twelfth Street, Riverside, California 92501**), or if  
25 rescheduled, upon telephonic notice to the Buyer and the parties having submitted  
26 overbids in order to allow all potential bidders the opportunity to overbid and purchase the  
27 Property. At the final bidding round, the Trustee in the exercise of her business judgment  
28 and subject to Court approval, accept the bidder who has made the highest and best offer  
to purchase the Property, consistent with the Bidding Procedures ("Successful Bidder").

8. At the hearing on the Sale Motion, the Trustee will seek entry of an order,  
*inter alia*, authorizing and approving the sale of the Property to the Successful Bidder. The  
hearing on the Sale Motion may be adjourned or rescheduled without notice other than by  
an announcement of the adjourned date at the hearing on the Sale Motion.

9. In the event the Successful Bidder fails to close on the sale of the Property  
within the time parameters approved by the Court, the Trustee shall retain the Successful  
Bidder's Deposit and will be released from the obligation to sell the Property to the  
Successful Bidder and the Trustee may then sell the Property to the First Back-Up Bidder  
approved by the Court.

10. In the event First Back-Up Bidder fails to close on the sale of the Property  
within the time parameters approved by the Court, the Trustee shall retain the First Back-  
Up Bidder's Deposit and will be released from his obligation to sell the Property to the First  
Back-Up Bidder and the Trustee may then sell the Property to the Second Back-Up Bidder  
approved by the Court.

The Bidding Procedures will be provided to all creditors and any potential bidders  
or parties who have shown an interest in the Property. A Notice of Sale of Estate Property  
will be filed with the Court for posting on the Court's website under the link "Current Notices  
of Sales", thereby giving notice to additional potential interested parties. The Broker will

1 update the Multiple Listing Service to reflect the Bidding Procedures. Based on the  
2 foregoing, the Trustee believes that under the circumstances of this case, the Property will  
3 have been appropriately marketed for bidding.

4 **III. LEGAL AUTHORITIES**

5 **A. There is a Good Business Reason for the Sale and the Sale is in the Best**  
6 **Interest of the Estate.<sup>4</sup>**

7 The duties of a trustee in a Chapter 7 filing are enumerated in 11 U.S.C. § 704,  
8 which provides in relevant part as follows:

9 (a) The trustee shall—

10 (1) collect and reduce to money the property of the estate for  
11 which such trustee serves, and close such estate as  
12 expeditiously as is compatible with the best interests of parties  
13 in interest;

13 (2) be accountable for all property received;

14 11 U.S.C. §704(a).

15 Further, the Trustee, after notice and hearing, may sell property of the estate. 11  
16 U.S.C. § 363(b). Courts ordinarily will approve a proposed sale if there is a good business  
17 reason for the sale and the sale is in the bests interests of the estate. *In re Wilde Horse*  
18 *Enterprises, Inc.*, 136 B.R. 830, 841 (Bankr. C.D. Cal. 1991); *In re Lionel Corp.*, 722 F.2d  
19 1063, 1069 (2d Cir. 1983). In this case, the sale is anticipated to net the Estate  
20 approximately \$179,774.00, calculated as follows:

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27 <sup>4</sup> Although Local Bankruptcy Rule 6004-1(c)(2)(C) does not require that a memorandum of points and  
28 authorities be filed in support of the Motion, the Trustee is nevertheless submitting one.

1	Sale Price	\$675,000.00
2	Less, broker commission and other estimated costs of sale (estimated a total of 8%)	(\$54,000.00)
3	Less, property taxes (pro-rata) (estimated)	(\$3,000.00)
4	Less, payoff to the first trust deed holder (U.S. Bank N.A.) (estimated)	(\$330,000.00)
5	Less, payoff to judgment lienholder (Ford Motor Credit Co.) (estimated)	(\$27,050.00)
6	Less, payoff to judgment lienholder (Capital One Bank) (estimated)	(\$3,764.00)
7	Less, payoff to Duran, Loquvam & Robertson (estimated) <sup>5</sup>	(\$2,412.00)
8	Estimated Sale Proceeds	\$254,774.00
9	Less, Homestead Exemption	(\$75,000.00)
10	Net Proceeds for the Estate	\$179,774.00
11		
12		

13 After payment of administrative claims, the estimated net sale proceeds is  
14 anticipated to provide a 100% distribution for general unsecured claims, and a surplus of  
15 funds to the Debtor:

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26 <sup>5</sup> On the Chapter 13 Trustee's Final Report, there is reference to payments being made on account of a  
27 secured claim. Duran, Loquvam & Robertson is listed on the Debtor's Amended Schedule D filed on  
28 November 13, 2017 as a judgment lien allegedly recorded against the Property in the amount of \$5,360.00.  
However, this lien is not reflected on the title report. The Trustee intends to further investigate this lien before  
any distribution is made on account of this lien but is listed here for calculation purposes.

		<u>Amount Paid</u>	<u>Distribution Percentage</u>
Estimated Net Sale Proceeds	\$179,774.00		
Less, Administrative Claims <sup>6</sup> (estimated)	<u>(\$22,745.00)</u>	<u>\$22,745.00</u>	100%
Funds available for creditors after payment of Administrative Claims	\$157,029.00		
Less, Priority Claims <sup>7</sup>	<u>\$6,774.00</u>	<u>\$6,774.00</u>	100%
<b>Funds available for General Unsecured Claims</b>	<b><u>\$150,255.00</u></b>		
Total General Unsecured Claims	<u>\$31,643.01</u>	\$31,643.01	100%
Potential <i>surplus</i>	\$118,611.99		

**B. The Court has Authority to Waive the Fourteen-Day Stay of Sale.**

Federal Rule of Bankruptcy Procedure 6004(h) provides that “[a]n order authorizing the use, sale or lease of property other than cash collateral is stayed until the expiration of 14 days after entry of the order, unless the Court orders otherwise.” Fed. Rule Bankr. P. 6004(h). The Trustee desires to close the sale of the Property as soon as practicable after entry of an order approving the sale. Accordingly, the Trustee requests that the Court, in

<sup>6</sup> Estimated administrative claims are calculated as follows (the amount of fees for the Trustee reflects payments totaling \$6,937.13 made to the Trustee by the Chapter 13 Trustee pursuant to the terms of the Stipulation):

<u>Administrative Claims</u>	<u>Fees</u>	<u>Expenses</u>	<u>Total</u>
Trustee (estimated)	\$19,245.00	\$500.00	\$19,745.00
Accounting Fees (estimated)	\$3,000.00	\$0.00	\$3,000.00
Total	\$22,245.00	\$500.00	\$22,745.00

<sup>7</sup> This amount reflects the estimated amount owed on the claim filed by the Internal Revenue Service after deducting payments made by the Chapter 13 Trustee.

1 the discretion provided it under Federal Rule of Bankruptcy Procedure 6004(h), waive the  
2 fourteen-day stay requirement.

3 **IV. CONCLUSION**

4 Based on the reasons set forth above, the Trustee respectfully request submits that  
5 good cause exists for granting the Sale Motion and requests that the Court enter an order  
6 as follows:

7 1. Authorizing the Trustee to sell the Property to the Buyer pursuant to the terms  
8 and conditions of the Agreement and addendums, which are attached as **Exhibit 3** to the  
9 Bui Declaration.

10 2. Authorizing the sale of the Property free and clear of liens, with liens not  
11 satisfied through the sale, if any, to attach to the sale proceeds in the same validity and  
12 priority as prior to the closing of the sale.

13 3. Authorizing the Trustee to sign any and all documents convenient and  
14 necessary in pursuit of the sale, including any and all conveyances contemplated by the  
15 Agreement attached as **Exhibit 3** to the Bui Declaration.

16 4. Approving the payment of the real estate commission in the total amount not  
17 to exceed 6% of the final purchase price, to be split between the Trustee's Broker and the  
18 Buyer's Broker, with each receiving 3%.

19 5. Authorizing the Trustee to pay the following from the proceeds of the sale of  
20 the Property through escrow: (a) all outstanding real property taxes at the time of closing  
21 on the sale of the Property, and (b) claims of creditors secured by the Property.

22 6. Authorizing the Trustee to pay the Debtor's homestead exemption in the  
23 amount of \$75,000.00.

24 7. A determination by the Court that each Buyer is in good faith pursuant to  
25 Bankruptcy Code Section 363(m).

26 8. Waiving the fourteen day stay of the order approving the sale of the Property  
27 under Federal Rules of Bankruptcy Procedure 6004(h) and thus authorizing the Trustee to  
28

1 close escrow as soon as practicable but in no event later than 15 days after entry of the  
2 sale order, unless extended by the Trustee at her sole discretion.

3 9. Authorizing closing of the escrow as soon as practicable.

4 10. So that the Trustee may close on the sale of the Property, ordering that (i)  
5 the Debtor or any occupants of the Property are to immediately vacate the Property and  
6 leave in broom clean condition; (ii) in the event the Debtor or any occupants of the Property  
7 fail to immediately vacate, the Trustee shall be entitled to issuance of a writ of possession  
8 for the Property; and (iii) the United States Marshal or other appropriate law enforcement  
9 officer may enforce such writ.

10 11. For such other and further relief as the Court deems just and proper under  
11 the circumstances of this case.

12 Dated: February 16, 2021 /s/ Lynda T. Bui

13 \_\_\_\_\_  
14 Lynda T. Bui  
15 Chapter 7 Trustee  
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**DECLARATION OF LYNDIA T. BUI**

I, Lynda T. Bui, declare and state as follows:

1. I am the Chapter 7 trustee for the bankruptcy estate of *In re Kevin Neri* (“Debtor”). I have personal knowledge of the facts set forth herein and could, if called as a witness, competently testify thereto.

2. I am familiar with the Debtor’s bankruptcy proceeding and make this Declaration in support of my *Motion for Order: (1) Approving the Sale of Real Property of the Estate Free and Clear of Certain Liens Pursuant to Bankruptcy Code §§ 363(b)(1), Subject to Overbids, Combined With Notice of Bidding Procedures and Request for Approval of the Bidding Procedures Utilized; (2) Approving Payment of Real Estate Commission; and (3) Granting Related Relief* (“Sale Motion”).

3. Attached here as **Exhibit 1** are true and correct copies of the Debtor’s Schedules A/B and C filed on January 18, 2017 and Amended Schedule D filed on November 13, 2017.

4. Attached here as **Exhibit 2** is true and copy of a Preliminary Title Report on the Property as of December 8, 2020. The Preliminary Title Report identifies the liens and encumbrances against the Property.

5. To accommodate the Debtor’s desire to retain the Property and preserve the equity therein, the Debtor and I entered into that certain *Stipulation Between the Chapter 7 Trustee and the Debtor Regarding Conversion of the Chapter 7 to Chapter 13 Under 11 U.S.C. § 706(a)* (“Stipulation”) (docket number 49), with certain conditions, including: (1) that the Debtor pay my allowed fees and costs through his Chapter 13 case as a priority administrative claim; and (2) that if the Debtor is unable to confirm a Chapter 13 plan or be unable to make the payments proposed in his Chapter 13 plan, rather than dismissing the case, the case shall be reconverted to one under Chapter 7 and I will be reappointed. The Stipulation was approved by Court Order entered August 30, 2017 (docket number 50).

6. Following the filing of the Debtor’s *Motion to Convert Case* from Chapter 7 to Chapter 13, the case was converted to a Chapter 13 on October 2, 2017. On November



1 20, 2017, an Order was entered confirming the Debtor's Chapter 13 Plan. During the  
2 Chapter 13, the Chapter 13 Trustee has filed six separate motions to dismiss, at least half  
3 of which were based on a material default in plan payments.

4 7. Due to the Debtor's inability to make regular monthly payments directly to the  
5 mortgage company, the Debtor defaulted under the terms of the Stipulation as well as the  
6 confirmed Chapter 13 plan. Following the entry of the Court's *Memorandum of Decision*  
7 on December 7, 2020 (docket number 142), the case was converted back to Chapter 7  
8 pursuant to Court Order entered December 7, 2020 (docket number 143) and I was  
9 reappointed as the Chapter 7 trustee for the Estate.

10 8. The mortgage company, U.S. Bank N.A., brought a motion for relief from the  
11 automatic stay in the Chapter 13, which since has been taken off calendar because I  
12 indicated that I would administer the Property

13 9. On December 31, 2020, I filed an Application for an Order Authorizing  
14 Employment of Richard A. Halderman, Jr., as Real Estate Broker. Pursuant to Court Order  
15 entered on January 21, 2021, I was authorized to employ Richard A. Halderman, Jr., as  
16 my real estate broker ("Broker") to assist with the marketing and sale of the Property. The  
17 listing agreement with the Broker provides for a real estate commission to be paid upon  
18 the sale of the Property in an amount not to exceed 6% of the sale price.

19 10. The Estate does not have the funds to obtain a formal written appraisal for  
20 the estimated value of the Property. The Broker has more than twenty years of experience  
21 in the sale of real property as well as property valuations and is familiar with valuing real  
22 property in today's economic environment. The Broker reviewed the Property and believed  
23 that the Property had a fair market value of \$659,000.00 based on the condition and  
24 location of the Property.

25 11. The Property has been on the market since mid-December 2020. On or  
26 about January 11, 2021, the Trustee received an offer from Bryan Burch and Mark Wensel  
27 (collectively, "Buyer") to purchase the Property for \$675,000.00, subject to overbids and  
28 Court approval. The offer includes an escalation clause of \$1,750.00 over the next highest

1 offer up to \$720,000.00. The offer from the Buyer is the first acceptable offer that has been  
2 received and is result of negotiations between the Trustee and the Buyer for the highest  
3 and best offer. Attached here as **Exhibit 3** is a true and correct copy of the Residential  
4 Purchase Agreement and Joint Escrow Instructions and related addendum and the Trustee  
5 Addendum to the Residential Purchase Agreement and Joint Escrow Instructions which I  
6 seek Court approval for.

7 12. I believe that the proposed sale, subject to overbids, will be at fair market  
8 value. Given that the sale is subject to overbids, it is anticipated that the Estate will receive  
9 the best and highest value for the Property and therefore the proposed sale price is fair  
10 and reasonable.

11 13. For the reasons set forth in the Sale Motion and this Declaration, I believe  
12 that good cause exists to grant the Sale Motion and respectfully request that the Court  
13 grant the Sale Motion so that I do not lose this favorable business opportunity to net funds  
14 anticipated to fully provide a distribution to general unsecured claims.

15 I declare under penalty of perjury pursuant to the laws of the United States of  
16 America that the foregoing is true and correct.

17 EXECUTED on February 16, 2021, at Irvine, California.

18 /s/ Lynda T. Bui

19 \_\_\_\_\_  
Lynda T. Bui

# **Exhibit 1**

## **Schedules**

**Fill in this information to identify your case and this filing:**

Debtor 1	<b>Kevin Neri</b>		
	First Name	Middle Name	Last Name
Debtor 2 (Spouse, if filing)			
	First Name	Middle Name	Last Name
United States Bankruptcy Court for the: <b>CENTRAL DISTRICT OF CALIFORNIA</b>			
Case number	<b>6:17-bk-10151</b>		

☐ Check if this is an amended filing

## Official Form 106A/B Schedule A/B: Property

12/15

In each category, separately list and describe items. List an asset only once. If an asset fits in more than one category, list the asset in the category where you think it fits best. Be as complete and accurate as possible. If two married people are filing together, both are equally responsible for supplying correct information. If more space is needed, attach a separate sheet to this form. On the top of any additional pages, write your name and case number (if known). Answer every question.

### Part 1: Describe Each Residence, Building, Land, or Other Real Estate You Own or Have an Interest In

1. Do you own or have any legal or equitable interest in any residence, building, land, or similar property?

- ☐ No. Go to Part 2.
- ☒ Yes. Where is the property?

1.1

#### 555 South Indian Trail

Street address, if available, or other description

**Palm Springs** **CA** **92264-0000**

City State ZIP Code

**Riverside**

County

What is the property? Check all that apply

- ☒ Single-family home
- ☐ Duplex or multi-unit building
- ☐ Condominium or cooperative
- ☐ Manufactured or mobile home
- ☐ Land
- ☐ Investment property
- ☐ Timeshare
- ☐ Other

Who has an interest in the property? Check one

- ☒ Debtor 1 only
- ☐ Debtor 2 only
- ☐ Debtor 1 and Debtor 2 only
- ☐ At least one of the debtors and another

Other information you wish to add about this item, such as local property identification number:

**2 bd 2 bath and a den. The roof needs repair, the pool needs repairs and to be filled, the home needs to be relandscaped, vast electrical repairs are required, and a new air conditioning unit is required.**

Do not deduct secured claims or exemptions. Put the amount of any secured claims on *Schedule D: Creditors Who Have Claims Secured by Property*.

Current value of the entire property?	Current value of the portion you own?
<b>\$375,000.00</b>	<b>\$375,000.00</b>

Describe the nature of your ownership interest (such as fee simple, tenancy by the entireties, or a life estate), if known.

**Fee Simple**

☐ Check if this is community property (see instructions)

2. Add the dollar value of the portion you own for all of your entries from Part 1, including any entries for pages you have attached for Part 1. Write that number here.....=>

**\$375,000.00**

### Part 2: Describe Your Vehicles

Do you own, lease, or have legal or equitable interest in any vehicles, whether they are registered or not? Include any vehicles you own that someone else drives. If you lease a vehicle, also report it on *Schedule G: Executory Contracts and Unexpired Leases*.

Debtor 1 **Kevin Neri**

Case number (if known) **6:17-bk-10151**

3. **Cars, vans, trucks, tractors, sport utility vehicles, motorcycles**

- ☐ No  
☒ Yes

3.1 Make: **Nissan**  
Model: **Rogue**  
Year: **2016**  
Approximate mileage: **400**  
Other information:

**Who has an interest in the property?** Check one

- ☒ Debtor 1 only  
☐ Debtor 2 only  
☐ Debtor 1 and Debtor 2 only  
☐ At least one of the debtors and another

☐ **Check if this is community property**  
(see instructions)

Do not deduct secured claims or exemptions. Put the amount of any secured claims on *Schedule D: Creditors Who Have Claims Secured by Property*.

**Current value of the entire property?**

**Current value of the portion you own?**

**\$22,000.00**

**\$22,000.00**

3.2 Make: **Ford**  
Model: **Focus**  
Year: **2008**  
Approximate mileage: **91,000**  
Other information:  

**The driver's window does not work.  
The vehicle is secured by a Title Loan w/ Check into Cash**

**Who has an interest in the property?** Check one

- ☒ Debtor 1 only  
☐ Debtor 2 only  
☐ Debtor 1 and Debtor 2 only  
☐ At least one of the debtors and another

☐ **Check if this is community property**  
(see instructions)

Do not deduct secured claims or exemptions. Put the amount of any secured claims on *Schedule D: Creditors Who Have Claims Secured by Property*.

**Current value of the entire property?**

**Current value of the portion you own?**

**\$3,000.00**

**\$3,000.00**

4. **Watercraft, aircraft, motor homes, ATVs and other recreational vehicles, other vehicles, and accessories**

*Examples: Boats, trailers, motors, personal watercraft, fishing vessels, snowmobiles, motorcycle accessories*

- ☒ No  
☐ Yes

5 **Add the dollar value of the portion you own for all of your entries from Part 2, including any entries for pages you have attached for Part 2. Write that number here.....=>**

**\$25,000.00**

**Part 3: Describe Your Personal and Household Items**

**Do you own or have any legal or equitable interest in any of the following items?**

**Current value of the portion you own?**  
Do not deduct secured claims or exemptions.

6. **Household goods and furnishings**

*Examples: Major appliances, furniture, linens, china, kitchenware*

- ☐ No  
☒ Yes. Describe.....

**Basic household goods Bed, couch**

**\$500.00**

7. **Electronics**

*Examples: Televisions and radios; audio, video, stereo, and digital equipment; computers, printers, scanners; music collections; electronic devices including cell phones, cameras, media players, games*

- ☐ No  
☒ Yes. Describe.....

**TV, smartphone,**

**\$300.00**

8. **Collectibles of value**

*Examples: Antiques and figurines; paintings, prints, or other artwork; books, pictures, or other art objects; stamp, coin, or baseball card collections; other collections, memorabilia, collectibles*

- ☒ No

Debtor 1 **Kevin Neri**

Case number (if known) **6:17-bk-10151**

☐ Yes. Describe.....

**9. Equipment for sports and hobbies**

*Examples:* Sports, photographic, exercise, and other hobby equipment; bicycles, pool tables, golf clubs, skis; canoes and kayaks; carpentry tools; musical instruments

☒ No

☐ Yes. Describe.....

**10. Firearms**

*Examples:* Pistols, rifles, shotguns, ammunition, and related equipment

☒ No

☐ Yes. Describe.....

**11. Clothes**

*Examples:* Everyday clothes, furs, leather coats, designer wear, shoes, accessories

☐ No

☒ Yes. Describe.....

**Used clothes**

**\$200.00**

**12. Jewelry**

*Examples:* Everyday jewelry, costume jewelry, engagement rings, wedding rings, heirloom jewelry, watches, gems, gold, silver

☒ No

☐ Yes. Describe.....

**13. Non-farm animals**

*Examples:* Dogs, cats, birds, horses

☐ No

☒ Yes. Describe.....

**2 dogs**

**\$0.00**

**14. Any other personal and household items you did not already list, including any health aids you did not list**

☒ No

☐ Yes. Give specific information.....

**15. Add the dollar value of all of your entries from Part 3, including any entries for pages you have attached for Part 3. Write that number here .....**

**\$1,000.00**

**Part 4: Describe Your Financial Assets**

**Do you own or have any legal or equitable interest in any of the following?**

**Current value of the portion you own?**  
Do not deduct secured claims or exemptions.

**16. Cash**

*Examples:* Money you have in your wallet, in your home, in a safe deposit box, and on hand when you file your petition

☒ No

☐ Yes.....

**17. Deposits of money**

*Examples:* Checking, savings, or other financial accounts; certificates of deposit; shares in credit unions, brokerage houses, and other similar institutions. If you have multiple accounts with the same institution, list each.

☐ No

☒ Yes.....

Institution name:

**17.1. Checking**

**Chase**

**\$340.00**

Debtor 1 Kevin Neri Case number (if known) 6:17-bk-10151

17.2. **Checkings** Citibank \$5.00

17.3. **Checkings** Citibank \$4.00

18. **Bonds, mutual funds, or publicly traded stocks**  
*Examples: Bond funds, investment accounts with brokerage firms, money market accounts*  
☒ No  
☐ Yes..... Institution or issuer name:
19. **Non-publicly traded stock and interests in incorporated and unincorporated businesses, including an interest in an LLC, partnership, and joint venture**  
☒ No  
☐ Yes. Give specific information about them.....  
Name of entity: % of ownership:
20. **Government and corporate bonds and other negotiable and non-negotiable instruments**  
*Negotiable instruments* include personal checks, cashiers' checks, promissory notes, and money orders.  
*Non-negotiable instruments* are those you cannot transfer to someone by signing or delivering them.  
☒ No  
☐ Yes. Give specific information about them  
Issuer name:
21. **Retirement or pension accounts**  
*Examples: Interests in IRA, ERISA, Keogh, 401(k), 403(b), thrift savings accounts, or other pension or profit-sharing plans*  
☒ No  
☐ Yes. List each account separately.  
Type of account: Institution name:
22. **Security deposits and prepayments**  
Your share of all unused deposits you have made so that you may continue service or use from a company  
*Examples: Agreements with landlords, prepaid rent, public utilities (electric, gas, water), telecommunications companies, or others*  
☒ No  
☐ Yes. .... Institution name or individual:
23. **Annuities** (A contract for a periodic payment of money to you, either for life or for a number of years)  
☒ No  
☐ Yes..... Issuer name and description.
24. **Interests in an education IRA, in an account in a qualified ABLE program, or under a qualified state tuition program.**  
26 U.S.C. §§ 530(b)(1), 529A(b), and 529(b)(1).  
☒ No  
☐ Yes..... Institution name and description. Separately file the records of any interests. 11 U.S.C. § 521(c):
25. **Trusts, equitable or future interests in property (other than anything listed in line 1), and rights or powers exercisable for your benefit**  
☒ No  
☐ Yes. Give specific information about them...
26. **Patents, copyrights, trademarks, trade secrets, and other intellectual property**  
*Examples: Internet domain names, websites, proceeds from royalties and licensing agreements*  
☒ No  
☐ Yes. Give specific information about them...
27. **Licenses, franchises, and other general intangibles**  
*Examples: Building permits, exclusive licenses, cooperative association holdings, liquor licenses, professional licenses*  
☒ No  
☐ Yes. Give specific information about them...

<b>Money or property owed to you?</b>	<b>Current value of the portion you own?</b> Do not deduct secured claims or exemptions.
---------------------------------------	---

Debtor 1 **Kevin Neri**

Case number (if known) **6:17-bk-10151**

28. **Tax refunds owed to you**

☒ No

☐ Yes. Give specific information about them, including whether you already filed the returns and the tax years.....

29. **Family support**

*Examples:* Past due or lump sum alimony, spousal support, child support, maintenance, divorce settlement, property settlement

☒ No

☐ Yes. Give specific information.....

30. **Other amounts someone owes you**

*Examples:* Unpaid wages, disability insurance payments, disability benefits, sick pay, vacation pay, workers' compensation, Social Security benefits; unpaid loans you made to someone else

☒ No

☐ Yes. Give specific information..

31. **Interests in insurance policies**

*Examples:* Health, disability, or life insurance; health savings account (HSA); credit, homeowner's, or renter's insurance

☒ No

☐ Yes. Name the insurance company of each policy and list its value.

Company name:

Beneficiary:

Surrender or refund  
value:

32. **Any interest in property that is due you from someone who has died**

If you are the beneficiary of a living trust, expect proceeds from a life insurance policy, or are currently entitled to receive property because someone has died.

☒ No

☐ Yes. Give specific information..

33. **Claims against third parties, whether or not you have filed a lawsuit or made a demand for payment**

*Examples:* Accidents, employment disputes, insurance claims, or rights to sue

☒ No

☐ Yes. Describe each claim.....

34. **Other contingent and unliquidated claims of every nature, including counterclaims of the debtor and rights to set off claims**

☒ No

☐ Yes. Describe each claim.....

35. **Any financial assets you did not already list**

☒ No

☐ Yes. Give specific information..

36. **Add the dollar value of all of your entries from Part 4, including any entries for pages you have attached for Part 4. Write that number here.....**

**\$349.00**

**Part 5: Describe Any Business-Related Property You Own or Have an Interest In. List any real estate in Part 1.**

37. **Do you own or have any legal or equitable interest in any business-related property?**

☒ No. Go to Part 6.

☐ Yes. Go to line 38.

**Part 6: Describe Any Farm- and Commercial Fishing-Related Property You Own or Have an Interest In.**

If you own or have an interest in farmland, list it in Part 1.

46. **Do you own or have any legal or equitable interest in any farm- or commercial fishing-related property?**

☒ No. Go to Part 7.

☐ Yes. Go to line 47.

**Part 7: Describe All Property You Own or Have an Interest in That You Did Not List Above**



Debtor 1 **Kevin Neri**

Case number (if known) **6:17-bk-10151**

53. **Do you have other property of any kind you did not already list?**

*Examples:* Season tickets, country club membership

☒ No

☐ Yes. Give specific information.....

54. **Add the dollar value of all of your entries from Part 7. Write that number here .....**

**\$0.00**

**Part 8:** List the Totals of Each Part of this Form

55. <b>Part 1: Total real estate, line 2 .....</b>		<b>\$375,000.00</b>
56. <b>Part 2: Total vehicles, line 5</b>	<b>\$25,000.00</b>	
57. <b>Part 3: Total personal and household items, line 15</b>	<b>\$1,000.00</b>	
58. <b>Part 4: Total financial assets, line 36</b>	<b>\$349.00</b>	
59. <b>Part 5: Total business-related property, line 45</b>	<b>\$0.00</b>	
60. <b>Part 6: Total farm- and fishing-related property, line 52</b>	<b>\$0.00</b>	
61. <b>Part 7: Total other property not listed, line 54</b>	<b>\$0.00</b>	
	<b>+</b>	
62. <b>Total personal property. Add lines 56 through 61...</b>	<b>\$26,349.00</b>	<b>Copy personal property total \$26,349.00</b>
63. <b>Total of all property on Schedule A/B. Add line 55 + line 62</b>		<b>\$401,349.00</b>

Fill in this information to identify your case:

Debtor 1	<b>Kevin Neri</b>		
	First Name	Middle Name	Last Name
Debtor 2 (Spouse if, filing)			
	First Name	Middle Name	Last Name
United States Bankruptcy Court for the:	CENTRAL DISTRICT OF CALIFORNIA		
Case number (if known)	6:17-bk-10151		

☐ Check if this is an amended filing

Official Form 106C

Schedule C: The Property You Claim as Exempt

4/16

Be as complete and accurate as possible. If two married people are filing together, both are equally responsible for supplying correct information. Using the property you listed on *Schedule A/B: Property* (Official Form 106A/B) as your source, list the property that you claim as exempt. If more space is needed, fill out and attach to this page as many copies of *Part 2: Additional Page* as necessary. On the top of any additional pages, write your name and case number (if known).

For each item of property you claim as exempt, you must specify the amount of the exemption you claim. One way of doing so is to state a specific dollar amount as exempt. Alternatively, you may claim the full fair market value of the property being exempted up to the amount of any applicable statutory limit. Some exemptions—such as those for health aids, rights to receive certain benefits, and tax-exempt retirement funds—may be unlimited in dollar amount. However, if you claim an exemption of 100% of fair market value under a law that limits the exemption to a particular dollar amount and the value of the property is determined to exceed that amount, your exemption would be limited to the applicable statutory amount.

Part 1: Identify the Property You Claim as Exempt

1. Which set of exemptions are you claiming? Check one only, even if your spouse is filing with you.

- ☒ You are claiming state and federal nonbankruptcy exemptions. 11 U.S.C. § 522(b)(3)
- ☐ You are claiming federal exemptions. 11 U.S.C. § 522(b)(2)

2. For any property you list on *Schedule A/B* that you claim as exempt, fill in the information below.

Brief description of the property and line on <i>Schedule A/B</i> that lists this property	Current value of the portion you own  Copy the value from <i>Schedule A/B</i>	Amount of the exemption you claim  Check only one box for each exemption.	Specific laws that allow exemption
555 South Indian Trail Palm Springs, CA 92264 Riverside County 2 bd 2 bath and a den. The roof needs repair, the pool needs repairs and to be filled, the home needs to be relandscaped, vast electrical repairs are required, and a new air conditioning uni Line from <i>Schedule A/B</i> : 1.1	\$375,000.00	<input checked="" type="checkbox"/> \$75,000.00 <input type="checkbox"/> 100% of fair market value, up to any applicable statutory limit	C.C.P. § 704.730
Basic household goods Bed, couch Line from <i>Schedule A/B</i> : 6.1	\$500.00	<input checked="" type="checkbox"/> \$500.00 <input type="checkbox"/> 100% of fair market value, up to any applicable statutory limit	C.C.P. § 704.020
TV, smartphone, Line from <i>Schedule A/B</i> : 7.1	\$300.00	<input checked="" type="checkbox"/> \$300.00 <input type="checkbox"/> 100% of fair market value, up to any applicable statutory limit	C.C.P. § 704.020
Used clothes Line from <i>Schedule A/B</i> : 11.1	\$200.00	<input checked="" type="checkbox"/> \$200.00 <input type="checkbox"/> 100% of fair market value, up to any applicable statutory limit	C.C.P. § 704.020

Debtor 1	<b>Kevin Neri</b>	Case number (if known)		<b>6:17-bk-10151</b>
<b>Brief description of the property and line on Schedule A/B that lists this property</b>	<b>Current value of the portion you own</b> <small>Copy the value from Schedule A/B</small>	<b>Amount of the exemption you claim</b> <small>Check only one box for each exemption.</small>	<b>Specific laws that allow exemption</b>	
<b>Checking: Chase</b> Line from <i>Schedule A/B</i> : <b>17.1</b>	<b>\$340.00</b>	<input checked="" type="checkbox"/> <b>\$340.00</b>	<b>C.C.P. § 704.070</b>	
		<input type="checkbox"/> 100% of fair market value, up to any applicable statutory limit		

3. **Are you claiming a homestead exemption of more than \$160,375?**  
(Subject to adjustment on 4/01/19 and every 3 years after that for cases filed on or after the date of adjustment.)
- ☒ No
- ☐ Yes. Did you acquire the property covered by the exemption within 1,215 days before you filed this case?
- ☐ No
- ☐ Yes

Fill in this information to identify your case:

Debtor 1 **Kevin Neri**  
First Name Middle Name Last Name

Debtor 2  
(Spouse if, filing) First Name Middle Name Last Name

United States Bankruptcy Court for the: **CENTRAL DISTRICT OF CALIFORNIA**

Case number **6:17-bk-10151-MJ**  
(if known)

☐ Check if this is an amended filing

Official Form 106D

**Schedule D: Creditors Who Have Claims Secured by Property**

12/15

Be as complete and accurate as possible. If two married people are filing together, both are equally responsible for supplying correct information. If more space is needed, copy the Additional Page, fill it out, number the entries, and attach it to this form. On the top of any additional pages, write your name and case number (if known).

1. Do any creditors have claims secured by your property?

- ☐ No. Check this box and submit this form to the court with your other schedules. You have nothing else to report on this form.
- ☒ Yes. Fill in all of the information below.

**Part 1: List All Secured Claims**

2. List all secured claims. If a creditor has more than one secured claim, list the creditor separately for each claim. If more than one creditor has a particular claim, list the other creditors in Part 2. As much as possible, list the claims in alphabetical order according to the creditor's name.

**2.1 Capital One Auto Finance**  
Creditor's Name

**c/o Ascension Capital GR  
PO Box 201347  
Arlington, TX 76006**

Number, Street, City, State & Zip Code

Who owes the debt? Check one.

- ☒ Debtor 1 only
- ☐ Debtor 2 only
- ☐ Debtor 1 and Debtor 2 only
- ☐ At least one of the debtors and another
- ☐ Check if this claim relates to a community debt

Describe the property that secures the claim:

**2016 Nissan Rogue 400 miles**

As of the date you file, the claim is: Check all that apply.

- ☐ Contingent
- ☐ Unliquidated
- ☐ Disputed

Nature of lien. Check all that apply.

- ☐ An agreement you made (such as mortgage or secured car loan)

- ☐ Statutory lien (such as tax lien, mechanic's lien)

- ☐ Judgment lien from a lawsuit

- ☒ Other (including a right to offset)

**Purchase Money Security**

Column A

Amount of claim  
Do not deduct the  
value of collateral.

**\$23,504.08**

Column B

Value of collateral  
that supports this  
claim

**\$22,000.00**

Column C

Unsecured  
portion  
If any

**\$1,504.08**

Date debt was incurred

Last 4 digits of account number **5786**

**2.2 Check into Cash of CA Inc.**  
Creditor's Name

**14250 Palm Drive, #A9  
Desert Hot Springs, CA  
92240**

Number, Street, City, State & Zip Code

Who owes the debt? Check one.

- ☒ Debtor 1 only
- ☐ Debtor 2 only
- ☐ Debtor 1 and Debtor 2 only
- ☐ At least one of the debtors and another
- ☐ Check if this claim relates to a community debt

Describe the property that secures the claim:

**2008 Ford Focus 91,000 miles  
The driver's window does not work.  
The vehicle is secured by a Title  
Loan w/ Check into Cash**

As of the date you file, the claim is: Check all that apply.

- ☐ Contingent
- ☐ Unliquidated
- ☐ Disputed

Nature of lien. Check all that apply.

- ☐ An agreement you made (such as mortgage or secured car loan)

- ☐ Statutory lien (such as tax lien, mechanic's lien)

- ☐ Judgment lien from a lawsuit

- ☒ Other (including a right to offset)

**Title Loan**

**\$4,300.00**

**\$3,000.00**

**\$1,300.00**

Debtor 1 **Kevin Neri**

Case number (if know)

**6:17-bk-10151-MJ**

First Name Middle Name Last Name

Date debt was incurred

Last 4 digits of account number

**2.3 Duran, Loquvam & Robertson**

Creditor's Name

c/o John A. Quinn- Legal  
Resources  
3444 Camino Del Rio  
North #200  
San Diego, CA 92108

Number, Street, City, State & Zip Code

Describe the property that secures the claim:

**\$5,360.00**

**\$642,592.00**

**\$0.00**

555 South Indian Trail Palm Springs,  
CA 92264 Riverside County  
2 bd 2 bath and a den. The roof  
needs repair, the pool needs repairs  
and to be filled, the home needs to  
be relandscaped, vast electrical  
repairs are required, and a new air

As of the date you file, the claim is: Check all that  
apply.

☐ Contingent

☐ Unliquidated

☐ Disputed

Nature of lien. Check all that apply.

☐ An agreement you made (such as mortgage or secured  
car loan)

☐ Statutory lien (such as tax lien, mechanic's lien)

☒ Judgment lien from a lawsuit

☐ Other (including a right to offset)

Who owes the debt? Check one.

☒ Debtor 1 only

☐ Debtor 2 only

☐ Debtor 1 and Debtor 2 only

☐ At least one of the debtors and another

☐ Check if this claim relates to a  
community debt

Date debt was incurred

Last 4 digits of account number

**2.4 Ford Motor Credit Co**

Creditor's Name

c/o Macdowell &  
Associates  
3636 Birch Street, Suite  
290  
Newport Beach, CA  
92660

Number, Street, City, State & Zip Code

Describe the property that secures the claim:

**\$19,629.09**

**\$642,592.00**

**\$0.00**

555 South Indian Trail Palm Springs,  
CA 92264 Riverside County  
2 bd 2 bath and a den. The roof  
needs repair, the pool needs repairs  
and to be filled, the home needs to  
be relandscaped, vast electrical  
repairs are required, and a new air

As of the date you file, the claim is: Check all that  
apply.

☐ Contingent

☐ Unliquidated

☐ Disputed

Nature of lien. Check all that apply.

☐ An agreement you made (such as mortgage or secured  
car loan)

☐ Statutory lien (such as tax lien, mechanic's lien)

☒ Judgment lien from a lawsuit

☐ Other (including a right to offset)

Who owes the debt? Check one.

☒ Debtor 1 only

☐ Debtor 2 only

☐ Debtor 1 and Debtor 2 only

☐ At least one of the debtors and another

☐ Check if this claim relates to a  
community debt

Date debt was incurred

Last 4 digits of account number

**2.5 Ocwen Loan Servicing,  
LLC**

Creditor's Name

PO Box 660264  
Dallas, TX 75266

Describe the property that secures the claim:

**\$292,664.00**

**\$642,592.00**

**\$0.00**

555 South Indian Trail Palm Springs,  
CA 92264 Riverside County  
2 bd 2 bath and a den. The roof  
needs repair, the pool needs repairs  
and to be filled, the home needs to  
be relandscaped, vast electrical  
repairs are required, and a new air

As of the date you file, the claim is: Check all that  
apply.

☐ Contingent

Official Form 106D

Additional Page of Schedule D: Creditors Who Have Claims Secured by Property

page 2 of 3

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Best Case Bankruptcy

Debtor 1 **Kevin Neri**

Case number (if know)

**6:17-bk-10151-MJ**

First Name Middle Name Last Name

Number, Street, City, State & Zip Code

☐ Unliquidated

☐ Disputed

Who owes the debt? Check one.

Nature of lien. Check all that apply.

☒ Debtor 1 only

☐ An agreement you made (such as mortgage or secured car loan)

☐ Debtor 2 only

☐ Statutory lien (such as tax lien, mechanic's lien)

☐ Debtor 1 and Debtor 2 only

☐ Judgment lien from a lawsuit

☐ At least one of the debtors and another

☐ Check if this claim relates to a community debt

☒ Other (including a right to offset)

Deed of Trust

Date debt was incurred

Last 4 digits of account number

Add the dollar value of your entries in Column A on this page. Write that number here:

\$345,457.17

If this is the last page of your form, add the dollar value totals from all pages.

Write that number here:

\$345,457.17

**Part 2: List Others to Be Notified for a Debt That You Already Listed**

Use this page only if you have others to be notified about your bankruptcy for a debt that you already listed in Part 1. For example, if a collection agency is trying to collect from you for a debt you owe to someone else, list the creditor in Part 1, and then list the collection agency here. Similarly, if you have more than one creditor for any of the debts that you listed in Part 1, list the additional creditors here. If you do not have additional persons to be notified for any debts in Part 1, do not fill out or submit this page.

☐

Name, Number, Street, City, State & Zip Code

**Capital One Auto Finance**

**PO Box 60511**

**City of Industry, CA 91716**

On which line in Part 1 did you enter the creditor? **2.1**

Last 4 digits of account number

☐

Name, Number, Street, City, State & Zip Code

**Duran, Loquvam & Robertson**

**9000 Sunset Blvd**

**West Hollywood, CA 90069**

On which line in Part 1 did you enter the creditor? **2.3**

Last 4 digits of account number

# **Exhibit 2**

## **Title Report**

CLTA Preliminary Report Form  
(Rev. 11/06)

Order Number: O-SA-5390044  
Page Number: 1

Updated 12/8/2020



**First American Title**

## First American Title Company

4 First American Way  
Santa Ana, CA 92707  
California Department of Insurance License No. 151

Customer Reference: 105013-AA  
  
Order Number: O-SA-5390044 (dt)  
  
Title Officer: Debbie Tognetti  
Phone: (714)250-8579  
Fax No.: (714)481-2956  
E-Mail: X\_FAHQ-RA-ocitle3@firstam.com  
Property: 555 South Indian Trail  
Palm Springs, CA 92264

### PRELIMINARY REPORT

In response to the above referenced application for a policy of title insurance, this company hereby reports that it is prepared to issue, or cause to be issued, as of the date hereof, a Policy or Policies of Title Insurance describing the land and the estate or interest therein hereinafter set forth, insuring against loss which may be sustained by reason of any defect, lien or encumbrance not shown or referred to as an Exception below or not excluded from coverage pursuant to the printed Schedules, Conditions and Stipulations of said Policy forms.

The printed Exceptions and Exclusions from the coverage and Limitations on Covered Risks of said policy or policies are set forth in Exhibit A attached. *The policy to be issued may contain an arbitration clause. When the Amount of Insurance is less than that set forth in the arbitration clause, all arbitrable matters shall be arbitrated at the option of either the Company or the Insured as the exclusive remedy of the parties.* Limitations on Covered Risks applicable to the CLTA and ALTA Homeowner's Policies of Title Insurance which establish a Deductible Amount and a Maximum Dollar Limit of Liability for certain coverages are also set forth in Exhibit A. Copies of the policy forms should be read. They are available from the office which issued this report.

Please read the exceptions shown or referred to below and the exceptions and exclusions set forth in Exhibit A of this report carefully. The exceptions and exclusions are meant to provide you with notice of matters which are not covered under the terms of the title insurance policy and should be carefully considered.

It is important to note that this preliminary report is not a written representation as to the condition of title and may not list all liens, defects, and encumbrances affecting title to the land.

This report (and any supplements or amendments hereto) is issued solely for the purpose of facilitating the issuance of a policy of title insurance and no liability is assumed hereby. If it is desired that liability be assumed prior to the issuance of a policy of title insurance, a Binder or Commitment should be requested.



Dated as of January 06, 2021 at 7:30 A.M.

The form of Policy of title insurance contemplated by this report is:

ALTA/CLTA Homeowner's (EAGLE) Policy of Title Insurance (2010) and ALTA Ext Loan Policy 1056.06 (06-17-06) if the land described is an improved residential lot or condominium unit on which there is located a one-to-four family residence; or ALTA Standard Owner's Policy 2006 (WRE 06-17-06) and the ALTA Loan Policy 2006 (06-17-06) if the land described is an unimproved residential lot or condominium unit

A specific request should be made if another form or additional coverage is desired.

Title to said estate or interest at the date hereof is vested in:

Kevin Neri, a married man as his sole and separate property, subject to proceedings pending in the Bankruptcy Court of the CENTRAL District of the U. S. District Court, California entitled in re: KEVIN NERI, debtor, Case No. 6:17-BK-10151-MJ, wherein a petition for relief was filed on January 06, 2017.

The estate or interest in the land hereinafter described or referred to covered by this Report is:

FEE

The Land referred to herein is described as follows:

(See attached Legal Description)

At the date hereof exceptions to coverage in addition to the printed Exceptions and Exclusions in said policy form would be as follows:

1. General and special taxes and assessments for the fiscal year 2021-2022, a lien not yet due or payable.
2. General and special taxes and assessments for the fiscal year 2020-2021.  
First Installment: \$3,485.43, PAID  
Penalty: \$0.00  
Second Installment: \$3,485.43, OPEN  
Penalty: \$0.00  
Tax Rate Area: 011-060  
A. P. No.: 508-141-012-8
3. The lien of supplemental taxes, if any, assessed pursuant to Chapter 3.5 commencing with Section 75 of the California Revenue and Taxation Code.

4. An easement for FLUMES AND DITCHES FOR CONDUCTING WATER FOR IRRIGATING PURPOSES AND DOMESTIC USE and incidental purposes in the document recorded August 10, 1887 in Book 68 of Deeds, Page 471.
5. An easement for ERECTING AND MAINTAINING, POLE LINES, CONDUITS and incidental purposes in the document recorded February 06, 1935 as BOOK 216 PAGE 193 of Official Records.
6. Covenants, conditions, restrictions and easements in the document recorded August 27, 1936 as BOOK 294 PAGE 129 of Official Records, which provide that a violation thereof shall not defeat or render invalid the lien of any first mortgage or deed of trust made in good faith and for value, but deleting any covenant, condition, or restriction indicating a preference, limitation or discrimination based on race, color, religion, sex, sexual orientation, familial status, disability, handicap, national origin, genetic information, gender, gender identity, gender expression, source of income (as defined in California Government Code § 12955(p)) or ancestry, to the extent such covenants, conditions or restrictions violation 42 U.S.C. § 3604(c) or California Government Code § 12955. Lawful restrictions under state and federal law on the age of occupants in senior housing or housing for older persons shall not be construed as restrictions based on familial status.
7. An easement for public utilities and incidental purposes in the document recorded September 20, 1976 as INSTRUMENT NO. 140144 of Official Records.
8. A deed of trust to secure an original indebtedness of \$395,000.00 recorded September 23, 2004 as INSTRUMENT NO. 04-756798 OF OFFICIAL RECORDS.

Dated: September 15, 2004  
Trustor: JANE M. TERRY, AN UNMARRIED WOMAN  
Trustee: STEWART TITLE OF CALIFORNIA  
Beneficiary: NEW CENTURY MORTGAGE CORPORATION

According to the public records, the beneficial interest under the deed of trust has been assigned to U.S. BANK N.A., IN IT'S CAPACITY AS TRUSTEE FOR THE REGISTERED HOLDERS OF MASTR ASSET BACKED SECURITIES TRUST 2005-NC1, MORTGAGE PASS-THROUGH CERTIFICATES, SERIES 2005-NC1 by various assignments.

A document recorded June 29, 2012 as INSTRUMENT NO. 12-302637 OF OFFICIAL RECORDS provides that WESTERN PROGRESSIVE, LLC was substituted as trustee under the deed of trust.

9. A certified copy of a judgment or an abstract thereof, recorded May 07, 2007 as INSTRUMENT NO. 07-304184 OF OFFICIAL RECORDS.  
Court: SUPERIOR COURT OF CALIFORNIA, COUNTY OF LOS ANGELES  
Case No.: 06E10843  
Debtor: KEVIN NERI  
Creditor: FORD MOTOR CREDIT COMPANY  
Amount: \$10374.58, and any other amounts due thereunder.

The lien of the judgment has been extended as evidenced by the document recorded November 02, 2016 as INSTRUMENT NO. 16-485839 of Official Records.

10. A certified copy of a judgment or an abstract thereof, recorded June 15, 2007 as INSTRUMENT NO. 07-395319 OF OFFICIAL RECORDS.  
Court: SUPERIOR COURT OF CALIFORNIA, COUNTY OF RIVERSIDE  
Case No.: INC063266  
Debtor: JANE M. TERRY  
Creditor: CAPITAL ONE BANK  
Amount: \$1,571.11, and any other amounts due thereunder.
11. Proceedings pending in the Bankruptcy Court of the CENTRAL District of the U.S. District Court, California, entitled in re: KEVIN NERI, debtor, Case No. 6:17-BK-10151-MJ, wherein a petition for relief was filed under Chapter 7 on January 06, 2017.
12. Water rights, claims or title to water, whether or not shown by the public records.

INFORMATIONAL NOTES

Note: The policy to be issued may contain an arbitration clause. When the Amount of Insurance is less than the certain dollar amount set forth in any applicable arbitration clause, all arbitrable matters shall be arbitrated at the option of either the Company or the Insured as the exclusive remedy of the parties. If you desire to review the terms of the policy, including any arbitration clause that may be included, contact the office that issued this Commitment or Report to obtain a sample of the policy jacket for the policy that is to be issued in connection with your transaction.

1. General and special taxes and assessments for the fiscal year 2016-2017.

First Installment:	\$2,902.94, PAID
Penalty:	\$0.00
Second Installment:	\$3,485.43, PAID
Penalty:	\$0.00
Tax Rate Area:	011-060
A. P. No.:	508-141-012-8

2. This report is preparatory to the issuance of an ALTA Loan Policy. We have no knowledge of any fact which would preclude the issuance of the policy with CLTA endorsement forms 100 and 116 and if applicable, 115 and 116.2 attached.

When issued, the CLTA endorsement form 116 or 116.2, if applicable will reference a(n) Single Family Residence known as 555 S Indian Trail, Palm Springs, CA.

3. According to the public records, there has been no conveyance of the land within a period of twenty-four months prior to the date of this report, except as follows:

None

NOTE to proposed insured lender only: No Private transfer fee covenant, as defined in Federal Housing Finance Agency Final Rule 12 CFR Part 1228, that was created and first appears in the Public Records on or after February 8, 2011, encumbers the Title except as follows: None

The map attached, if any, may or may not be a survey of the land depicted hereon. First American expressly disclaims any liability for loss or damage which may result from reliance on this map except to the extent coverage for such loss or damage is expressly provided by the terms and provisions of the title insurance policy, if any, to which this map is attached.

LEGAL DESCRIPTION

Real property in the City of Palm Springs, County of Riverside, State of California, described as follows:

LOT 25, OF INDIAN TRAILS TRACT, AS SHOWN BY MAP ON FILE IN BOOK 18, PAGE 40, OF MAPS, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA.

APN: 508141012

*NOTICE*

Section 12413.1 of the California Insurance Code, effective January 1, 1990, requires that any title insurance company, underwritten title company, or controlled escrow company handling funds in an escrow or sub-escrow capacity, wait a specified number of days after depositing funds, before recording any documents in connection with the transaction or disbursing funds. This statute allows for funds deposited by wire transfer to be disbursed the same day as deposit. In the case of cashier's checks or certified checks, funds may be disbursed the next day after deposit. In order to avoid unnecessary delays of three to seven days, or more, please use wire transfer, cashier's checks, or certified checks whenever possible.

## INCOMING DOMESTIC WIRE INSTRUCTIONS

Beware of cyber-crime! If you receive an e-mail or any other communication that appears to be generated from a First American Title Company employee that contains new, revised or altered bank wire instructions, consider it suspect and call our office at a number you trust. Our bank wire instructions seldom change.

Funds from other than buyer or seller: Other than funds from a designated lender, real estate agent or broker, or the attorney of record, we will only accept incoming wires that are from the buyer or seller on a transaction. Other third party deposits not accompanied by appropriate instructions will be returned to the remitter.

Funds from a U.S. Bank: Funds should be wired from a bank within the United States. Notify our office at (714)250-3000 when you have transmitted your wire.

Funds from a non-U.S. Bank: If your funds are being wired from a non-U.S. bank, additional charges may apply. Contact our office for Incoming International Wiring Instructions.

ACH Transfers are NOT wire transfers: An ACH transfer is not immediately available funds and requires additional time for clearance. An ACH transfer cannot be accepted for an imminent closing. Acceptance of ACH transfers are subject to state law. Contact our office at (714)250-3000 prior to sending funds by ACH transfer.

Contact our office at (714)250-3000 when funds are sent.

PAYABLE TO: First American Title Company  
BANK: First American Trust, FSB  
ADDRESS: 5 First American Way, Santa Ana, CA 92707  
ACCOUNT NO.: 3012500000  
ROUTING NUMBER: 122241255

PLEASE REFERENCE THE FOLLOWING:

PROPERTY: 555 S Indian Trail, Palm Springs, CA 92264  
FILE NUMBER: O-SA-5390044

FIRST AMERICAN TRUST, FSB CONTACT INFO: Banking Services (877)600-9473

WIRES MAY BE RETURNED IF THE FILE NUMBER  
AND PROPERTY REFERENCE ARE NOT INCLUDED



EXHIBIT A  
LIST OF PRINTED EXCEPTIONS AND EXCLUSIONS (BY POLICY TYPE)

CLTA STANDARD COVERAGE POLICY – 1990  
EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance or governmental regulation (including but not limited to building or zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien, or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
- (b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
3. Defects, liens, encumbrances, adverse claims or other matters:
  - (a) whether or not recorded in the public records at Date of Policy, but created, suffered, assumed or agreed to by the insured claimant;
  - (b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy;
  - (c) resulting in no loss or damage to the insured claimant;
  - (d) attaching or created subsequent to Date of Policy; or
  - (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the insured mortgage or for the estate or interest insured by this policy.
4. Unenforceability of the lien of the insured mortgage because of the inability or failure of the insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with the applicable doing business laws of the state in which the land is situated.
5. Invalidity or unenforceability of the lien of the insured mortgage, or claim thereof, which arises out of the transaction evidenced by the insured mortgage and is based upon usury or any consumer credit protection or truth in lending law.
6. Any claim, which arises out of the transaction vesting in the insured the estate of interest insured by this policy or the transaction creating the interest of the insured lender, by reason of the operation of federal bankruptcy, state insolvency or similar creditors' rights laws.

EXCEPTIONS FROM COVERAGE - SCHEDULE B, PART I

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records.  
Proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the public records.
2. Any facts, rights, interests, or claims which are not shown by the public records but which could be ascertained by an inspection of the land or which may be asserted by persons in possession thereof.
3. Easements, liens or encumbrances, or claims thereof, not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b) or (c) are shown by the public records.
6. Any lien or right to a lien for services, labor or material not shown by the public records.

CLTA/ALTA HOMEOWNER'S POLICY OF TITLE INSURANCE (12-02-13)  
EXCLUSIONS

In addition to the Exceptions in Schedule B, You are not insured against loss, costs, attorneys' fees, and expenses resulting from:

1. Governmental police power, and the existence or violation of those portions of any law or government regulation concerning:
  - a. building;
  - b. zoning;
  - c. land use;
  - d. improvements on the Land;
  - e. land division; and
  - f. environmental protection.

This Exclusion does not limit the coverage described in Covered Risk 8.a., 14, 15, 16, 18, 19, 20, 23 or 27.
2. The failure of Your existing structures, or any part of them, to be constructed in accordance with applicable building codes. This Exclusion does not limit the coverage described in Covered Risk 14 or 15.
3. The right to take the Land by condemning it. This Exclusion does not limit the coverage described in Covered Risk 17.
4. Risks:
  - a. that are created, allowed, or agreed to by You, whether or not they are recorded in the Public Records;
  - b. that are Known to You at the Policy Date, but not to Us, unless they are recorded in the Public Records at the Policy Date;
  - c. that result in no loss to You; or
  - d. that first occur after the Policy Date - this does not limit the coverage described in Covered Risk 7, 8.e., 25, 26, 27 or 28.
5. Failure to pay value for Your Title.
6. Lack of a right:
  - a. to any land outside the area specifically described and referred to in paragraph 3 of Schedule A; and
  - b. in streets, alleys, or waterways that touch the Land.

This Exclusion does not limit the coverage described in Covered Risk 11 or 21.
7. The transfer of the Title to You is invalid as a preferential transfer or as a fraudulent transfer or conveyance under federal bankruptcy, state insolvency, or similar creditors' rights laws.
8. Contamination, explosion, fire, flooding, vibration, fracturing, earthquake, or subsidence.
9. Negligence by a person or an Entity exercising a right to extract or develop minerals, water, or any other substances.

#### LIMITATIONS ON COVERED RISKS

Your insurance for the following Covered Risks is limited on the Owner's Coverage Statement as follows:

For Covered Risk 16, 18, 19, and 21 Your Deductible Amount and Our Maximum Dollar Limit of Liability shown in Schedule A. The deductible amounts and maximum dollar limits shown on Schedule A are as follows:

	<u>Your Deductible Amount</u>	<u>Our Maximum Dollar Limit of Liability</u>
Covered Risk 16:	1% of Policy Amount Shown in Schedule A or \$2,500 (whichever is less)	\$10,000
Covered Risk 18:	1% of Policy Amount Shown in Schedule A or \$5,000 (whichever is less)	\$25,000
Covered Risk 19:	1% of Policy Amount Shown in Schedule A or \$5,000 (whichever is less)	\$25,000
Covered Risk 21:	1% of Policy Amount Shown in Schedule A or \$2,500 (whichever is less)	\$5,000

2006 ALTA LOAN POLICY (06-17-06)

#### EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
  - (i) the occupancy, use, or enjoyment of the Land;
  - (ii) the character, dimensions, or location of any improvement erected on the Land;
  - (iii) the subdivision of land; or
  - (iv) environmental protection;

or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
- (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
  - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
  - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
  - (c) resulting in no loss or damage to the Insured Claimant;

- (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 11, 13, or 14); or
- (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.
4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing-business laws of the state where the Land is situated.
  5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury or any consumer credit protection or truth-in-lending law.
  6. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction creating the lien of the Insured Mortgage, is
    - (a) a fraudulent conveyance or fraudulent transfer, or
    - (b) a preferential transfer for any reason not stated in Covered Risk 13(b) of this policy.
  7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the Insured Mortgage in the Public Records. This Exclusion does not modify or limit the coverage provided under Covered Risk 11(b).

The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

#### EXCEPTIONS FROM COVERAGE

[Except as provided in Schedule B - Part II, [ t[or T]his policy does not insure against loss or damage, and the Company will not pay costs, attorneys' fees or expenses, that arise by reason of:

#### [PART I

[The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

1. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
2. Any facts, rights, interests, or claims that are not shown by the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the land.
3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
4. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and not shown by the Public Records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.
6. Any lien or right to a lien for services, labor or material not shown by the public records.]

#### PART II

In addition to the matters set forth in Part I of this Schedule, the Title is subject to the following matters, and the Company insures against loss or damage sustained in the event that they are not subordinate to the lien of the Insured Mortgage:]

#### 2006 ALTA OWNER'S POLICY (06-17-06)

#### EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
  - (i) the occupancy, use, or enjoyment of the Land;
  - (ii) the character, dimensions, or location of any improvement erected on the Land;
  - (iii) the subdivision of land; or
  - (iv) environmental protection;or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
- (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
  - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
  - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
  - (c) resulting in no loss or damage to the Insured Claimant;
  - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 9 or 10); or
  - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Title.
4. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction vesting the Title as shown in Schedule A, is
  - (a) a fraudulent conveyance or fraudulent transfer, or
  - (b) a preferential transfer for any reason not stated in Covered Risk 9 of this policy.
5. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the deed or other instrument of transfer in the Public Records that vests Title as shown in Schedule A.

The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage, and the Company will not pay costs, attorneys' fees or expenses, that arise by reason of:

[The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

1. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
2. Any facts, rights, interests, or claims that are not shown by the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.
3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
4. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and not shown by the Public Records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.
6. Any lien or right to a lien for services, labor or material not shown by the Public Records.
7. [Variable exceptions such as taxes, easements, CC&R's, etc. shown here.]

ALTA EXPANDED COVERAGE RESIDENTIAL LOAN POLICY (12-02-13)

EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
  - (i) the occupancy, use, or enjoyment of the Land;
  - (ii) the character, dimensions, or location of any improvement erected on the Land;
  - (iii) the subdivision of land; or
  - (iv) environmental protection;

or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5, 6, 13(c), 13(d), 14 or 16.

(b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 5, 6, 13(c), 13(d), 14 or 16.

2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters  
(a) created, suffered, assumed, or agreed to by the Insured Claimant;  
(b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;  
(c) resulting in no loss or damage to the Insured Claimant;  
(d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 11, 16, 17, 18, 19, 20, 21, 22, 23, 24, 27 or 28); or  
(e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.
4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing-business laws of the state where the Land is situated.
5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury or any consumer credit protection or truth-in-lending law. This Exclusion does not modify or limit the coverage provided in Covered Risk 26.
6. Any claim of invalidity, unenforceability or lack of priority of the lien of the Insured Mortgage as to Advances or modifications made after the Insured has Knowledge that the vestee shown in Schedule A is no longer the owner of the estate or interest covered by this policy. This Exclusion does not modify or limit the coverage provided in Covered Risk 11.
7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching subsequent to Date of Policy. This Exclusion does not modify or limit the coverage provided in Covered Risk 11(b) or 25.
8. The failure of the residential structure, or any portion of it, to have been constructed before, on or after Date of Policy in accordance with applicable building codes. This Exclusion does not modify or limit the coverage provided in Covered Risk 5 or 6.
9. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction creating the lien of the Insured Mortgage, is  
(a) a fraudulent conveyance or fraudulent transfer, or  
(b) a preferential transfer for any reason not stated in Covered Risk 27(b) of this policy.
10. Contamination, explosion, fire, flooding, vibration, fracturing, earthquake, or subsidence.
11. Negligence by a person or an Entity exercising a right to extract or develop minerals, water, or any other substances.



## *First American Title*

### Privacy Information

#### We Are Committed to Safeguarding Customer Information

In order to better serve your needs now and in the future, we may ask you to provide us with certain information. We understand that you may be concerned about what we will do with such information - particularly any personal or financial information. We agree that you have a right to know how we will utilize the personal information you provide to us. Therefore, together with our subsidiaries we have adopted this Privacy Policy to govern the use and handling of your personal information.

### Applicability

This Privacy Policy governs our use of the information that you provide to us. It does not govern the manner in which we may use information we have obtained from any other source, such as information obtained from a public record or from another person or entity. First American has also adopted broader guidelines that govern our use of personal information regardless of its source. First American calls these guidelines its Fair Information Values.

### Types of Information

Depending upon which of our services you are utilizing, the types of nonpublic personal information that we may collect include:

- Information we receive from you on applications, forms and in other communications to us, whether in writing, in person, by telephone or any other means;
- Information about your transactions with us, our affiliated companies, or others; and
- Information we receive from a consumer reporting agency.

### Use of Information

We request information from you for our own legitimate business purposes and not for the benefit of any nonaffiliated party. Therefore, we will not release your information to nonaffiliated parties except: (1) as necessary for us to provide the product or service you have requested of us; or (2) as permitted by law. We may, however, store such information indefinitely, including the period after which any customer relationship has ceased. Such information may be used for any internal purpose, such as quality control efforts or customer analysis. We may also provide all of the types of nonpublic personal information listed above to one or more of our affiliated companies. Such affiliated companies include financial service providers, such as title insurers, property and casualty insurers, and trust and investment advisory companies, or companies involved in real estate services, such as appraisal companies, home warranty companies and escrow companies. Furthermore, we may also provide all the information we collect, as described above, to companies that perform marketing services on our behalf, on behalf of our affiliated companies or to other financial institutions with whom we or our affiliated companies have joint marketing agreements.

### Former Customers

Even if you are no longer our customer, our Privacy Policy will continue to apply to you.

### Confidentiality and Security

We will use our best efforts to ensure that no unauthorized parties have access to any of your information. We restrict access to nonpublic personal information about you to those individuals and entities who need to know that information to provide products or services to you. We will use our best efforts to train and oversee our employees and agents to ensure that your information will be handled responsibly and in accordance with this Privacy Policy and First American's Fair Information Values. We currently maintain physical, electronic, and procedural safeguards that comply with federal regulations to guard your nonpublic personal information.

### Information Obtained Through Our Web Site

First American Financial Corporation is sensitive to privacy issues on the Internet. We believe it is important you know how we treat the information about you we receive on the Internet.

In general, you can visit First American or its affiliates' Web sites on the World Wide Web without telling us who you are or revealing any information about yourself. Our Web servers collect the domain names, not the e-mail addresses, of visitors. This information is aggregated to measure the number of visits, average time spent on the site, pages viewed and similar information. First American uses this information to measure the use of our site and to develop ideas to improve the content of our site.

There are times, however, when we may need information from you, such as your name and email address. When information is needed, we will use our best efforts to let you know at the time of collection how we will use the personal information. Usually, the personal information we collect is used only by us to respond to your inquiry, process an order or allow you to access specific account/profile information. If you choose to share any personal information with us, we will only use it in accordance with the policies outlined above.

### Business Relationships

First American Financial Corporation's site and its affiliates' sites may contain links to other Web sites. While we try to link only to sites that share our high standards and respect for privacy, we are not responsible for the content or the privacy practices employed by other sites.

### Cookies

Some of First American's Web sites may make use of "cookie" technology to measure site activity and to customize information to your personal tastes. A cookie is an element of data that a Web site can send to your browser, which may then store the cookie on your hard drive.

[FirstAm.com](http://FirstAm.com) uses stored cookies. The goal of this technology is to better serve you when visiting our site, save you time when you are here and to provide you with a more meaningful and productive Web site experience.

### Fair Information Values

Fairness We consider consumer expectations about their privacy in all our businesses. We only offer products and services that assure a favorable balance between consumer benefits and consumer privacy.

Public Record We believe that an open public record creates significant value for society, enhances consumer choice and creates consumer opportunity. We actively support an open public record and emphasize its importance and contribution to our economy.

Use We believe we should behave responsibly when we use information about a consumer in our business. We will obey the laws governing the collection, use and dissemination of data.

Accuracy We will take reasonable steps to help assure the accuracy of the data we collect, use and disseminate. Where possible, we will take reasonable steps to correct inaccurate information. When, as with the public record, we cannot correct inaccurate information, we will take all reasonable steps to assist consumers in identifying the source of the erroneous data so that the consumer can secure the required corrections.

Education We endeavor to educate the users of our products and services, our employees and others in our industry about the importance of consumer privacy. We will instruct our employees on our fair information values and on the responsible collection and use of data. We will encourage others in our industry to collect and use information in a responsible manner.

Security We will maintain appropriate facilities and systems to protect against unauthorized access to and corruption of the data we maintain.

# **Exhibit 3**

## **Purchase Agreement and Addendum**



CALIFORNIA  
ASSOCIATION  
OF REALTORS®

**SELLER COUNTER OFFER** No. ONE

May not be used as a multiple counter offer.

(C.A.R. Form SCO, 11/14)

In re Neri, Kevin Chapter 7 Bk #6:17-10151 WJ

Date January 11, 2021

This is a counter offer to the ☒ California Residential Purchase Agreement, ☐ Buyer Counter Offer No. \_\_\_\_\_, or ☐ Other \_\_\_\_\_ ("Offer"), dated January 11, 2021, on property known as 555 S. Indian Trail, Palm Springs, CA 92264 ("Property"), between Bryan Burch, Mark Wensel ("Buyer") and Lyndia T. Bui, Chap. 7 Trustee ("Seller").

1. **TERMS:** The terms and conditions of the above referenced document are accepted subject to the following:

- A. Paragraphs in the Offer that require initials by all parties, but are not initialed by all parties, are excluded from the final agreement unless specifically referenced for inclusion in paragraph 1C of this or another Counter Offer or an addendum.  
B. Unless otherwise agreed in writing, down payment and loan amount(s) will be adjusted in the same proportion as in the original Offer.

- C. **OTHER TERMS:** 1. Property is being purchased in AS IS condition with no expressed or implied warranties. 2. Sale subject to Bankruptcy Court approval and overbid.  
3. Escrow to be with A&A Escrow, Beverly Hills. Title insurance with First American.  
4. Seller does not accept page nine, paragraphs 21 & 22.  
5. Counter offer to include addendum provided by Trustee.

D. The following attached addenda are incorporated into this Seller Counter offer: ☐ Addendum No. \_\_\_\_\_

☐

☐

2. **EXPIRATION:** This Seller Counter Offer shall be deemed revoked and the deposits, if any, shall be returned:

- A. Unless by 5:00pm on the third Day After the date it is signed in paragraph 3 (if more than one signature then, the last signature date)(or by ☐ AM ☐ PM on \_\_\_\_\_ (date)) (i) it is signed in paragraph 4 by Buyer and (ii) a copy of the signed Seller Counter Offer is personally received by Seller or Richard Halderman Jr., who is authorized to receive it.

OR B. If Seller withdraws it in writing (CAR Form WOO) anytime prior to Acceptance.

3. **OFFER: SELLER MAKES THIS COUNTER OFFER ON THE TERMS ABOVE AND ACKNOWLEDGES RECEIPT OF A COPY.**

☒ Seller

☒ Date 1/ /21

Seller Lyndia T. Bui, Chapter 7 Trustee

Date \_\_\_\_\_

4. **ACCEPTANCE:** I/WE accept the above Seller Counter Offer (if checked ☐ SUBJECT TO THE ATTACHED COUNTER OFFER) and acknowledge receipt of a Copy.

Buyer \_\_\_\_\_ Date \_\_\_\_\_ Time \_\_\_\_\_ AM/PM  
Buyer \_\_\_\_\_ Date \_\_\_\_\_ Time \_\_\_\_\_ AM/PM

**CONFIRMATION OF ACCEPTANCE:**

(\_\_\_\_\_/\_\_\_\_\_) (Initials) Confirmation of Acceptance: A Copy of Signed Acceptance was personally received by Seller, or Seller's authorized agent as specified in paragraph 2A on (date) \_\_\_\_\_ at \_\_\_\_\_ AM/PM. A binding Agreement is created when a Copy of Signed Acceptance is personally received by Seller or Seller's authorized agent whether or not confirmed in this document.

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THIS FORM HAS BEEN APPROVED BY THE CALIFORNIA ASSOCIATION OF REALTORS® (C.A.R.). NO REPRESENTATION IS MADE AS TO THE LEGAL VALIDITY OR ACCURACY OF ANY PROVISION IN ANY SPECIFIC TRANSACTION. A REAL ESTATE BROKER IS THE PERSON QUALIFIED TO ADVISE ON REAL ESTATE TRANSACTIONS. IF YOU DESIRE LEGAL OR TAX ADVICE, CONSULT AN APPROPRIATE PROFESSIONAL.

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Reviewed by \_\_\_\_\_ Date \_\_\_\_\_





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CALIFORNIA  
ASSOCIATION  
OF REALTORS

SELLER COUNTER OFFER No. 100

May not be used as a multiple counter offer.

(C.A.R. Form SCS, 1/1/14)

In the Matter, Kevin Chapter 7 BK #6:17-10151-WJ

FORM SCS

This is a counter offer to the Offer California Residential Purchase Agreement, Form SCS, No. 100, dated January 11, 2021, of property known as 300 N. Indian Trail, Palm Springs, CA 92264 (Property), between Bryan Burch, Mark Wense (Buyer) and Janita M. Bui, Chad J. Houston (Seller).

1. TERMS: The terms and conditions of the above referenced document are accepted subject to the following.
- A. Paragraphs in the Offer that require initials by all parties, but are not initialed by all parties, are excluded from the final agreement unless specifically referenced for inclusion in paragraph 1C of this or another Counter Offer or an addendum.
  - B. Unless otherwise agreed in writing, down payment and loan amount(s) will be adjusted in the same proportion as in the original Offer.

C. OTHER TERMS: 1. Property is being purchased in AS IS condition with no expressed or

implied warranties. 2. Sale subject to bankruptcy court approval and oversight.

3. Escrow to be with AIA Escrow, Beverly Hills. Title insurance with First American.

4. Seller does not accept any other, paragraphs 21 & 22.

5. Counter offer is the only addendum provided by Trustee.

D. The following attached addenda are incorporated into this Seller Counter offer: Addendum No. \_\_\_\_\_

2. EXPIRATION: This Seller Counter Offer shall be deemed revoked and no deposit, if any, shall be returned.
- A. Unless by 5:00pm on the third day after the date it is signed or designated by more than one signature then the last signature designated by ALL parties (down to the last signature in paragraph 4 by Buyer and the copy of the original Seller Counter Offer specifically received by Seller or Janita M. Bui by date 1/12/2021 who is authorized to receive it.
- OR B. If So then the terms are written (CAR Form WCC) and the offer is Accepted.

3. OFFER: SELLER MAKES THIS COUNTER OFFER ON THE TERMS ABOVE AND ACKNOWLEDGES RECEIPT OF A COPY.

Seller: Janita M. Bui, Chad J. Houston Date: 1/11/2021

4. ACCEPTANCE: I accept the above Seller Counter Offer (if attached) SUBJECT TO THE ATTACHED COUNTER OFFER(s) and

Buyer: Bryan Burch Date: 1/12/2021 Time: AM/PM  
Buyer: Mark Wense Date: 1/12/2021 Time: AM/PM

CONFIRMATION OF ACCEPTANCE:

Confirmation of Acceptance: A copy of signed Acceptance and a mutually received by Buyer or Seller's authorized agent as specified in paragraph 2A or 2B) of \_\_\_\_\_ at \_\_\_\_\_ AM/PM. A binding Agreement is created when a copy of signed Acceptance is personally received by Seller or Seller's authorized agent whether or not confirmed in this document.

SELLER'S COPY: This document is the property of the Seller. It is to be kept in the Seller's possession and control. It is to be used only for the purpose of the transaction and is not to be used for any other purpose. It is to be destroyed when the transaction is completed.

SELLER'S COPY: This document is the property of the Seller. It is to be kept in the Seller's possession and control. It is to be used only for the purpose of the transaction and is not to be used for any other purpose. It is to be destroyed when the transaction is completed.

SCS 11/14 (PAGE 1 OF 1) Print Date Apr 16

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Counteroffer re Purchase and Sale of  
555 S. Indian Trail, Palm Springs, CA 92264

This is a counteroffer ("Counteroffer") to the January 11, 2021, "California Residential Purchase Agreement and Joint Escrow Instructions" received from Bryan Burch and Mark Wensel ("Buyer's Offer") for the purchase of the real property commonly known as 555 S. Indian Trail, Palm Springs, California, California, Riverside County ("Property"), by Bryan Burch and Mark Wensel (collectively "Buyer") from Lynda T. Bui, solely in her capacity as the Chapter 7 Trustee ("Seller" and, together with Buyer, the "Parties"), for the Bankruptcy Estate of *In re Kevin Neri*, Bankruptcy Case No. 6:17-bk-10151-WJ ("Debtor").

When fully-executed below, this Counteroffer will constitute conclusive evidence of the contract for the sale and purchase of the Property (the "Sale") and the Parties' agreement for the Sale, subject to approval by the Bankruptcy Court in the Debtor's Bankruptcy case and further or more complete documentation in Seller's discretion. To the extent that there is any conflict, this Counteroffer Supersedes the Buyer's Proposal. Seller may elect to deem this Counteroffer the definitive agreement between the Parties regarding the Sale.

1. Initial Deposit: Within three (3) business days following Buyer's execution of this Counteroffer, Buyer shall deliver to escrow, together with an executed copy of this Counteroffer, the sum of \$20,250.00, to be applied toward the Purchase Price (the "Deposit"), as follows:

Antonia Degado, Escrow Officer  
A & A Escrow Services, Inc.  
415 N. Crescent Drive, Suite 320  
Beverly Hills, CA 90210  
Telephone: (310) 550-6055; Facsimile: (310) 550-6130  
Email: [antonia@aandasescrow.com](mailto:antonia@aandasescrow.com)

2. Due Diligence Period: Buyer acknowledges that he/she/it is familiar with the Property and that the Buyer has previously viewed the Property. Nevertheless, at Buyer's sole expense, Buyer shall have until 2:00 p.m. PDT, January 26, 2021, to obtain all investigations, appraisals and tests, and to complete any and all due diligence which the Buyer desires (the "Due Diligence Deadline"). By no later than the Due Diligence Deadline, Buyer may advise Seller, in writing, of his/her/its election to cancel the Sale, in which case Buyer shall receive a full refund of the Deposit (the "Notice to Cancel"). Absent Buyer's submission of a Notice to Cancel in accordance with this paragraph 2, the Sale shall be without any further contingencies or due diligence requirements of the Buyer.

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Without limiting the generality of the foregoing, Buyer's silence shall be deemed an acceptance and affirmative election to proceed with the Sale without any further contingencies or due diligence requirements.

3. Bankruptcy Court Approval: The Sale is expressly subject to Bankruptcy Court approval in the Debtor's bankruptcy case. As soon as reasonably practical following expiration of the Due Diligence Deadline without Buyer's submission of a Notice to Cancel, the Seller will file a motion to approve the Sale with the Bankruptcy Court pursuant to section 363 of the United States Bankruptcy Code (11 U.S.C. § 363) (the "Approval Motion"). As part of such motion, the Seller will request a finding of the Buyer's "good faith" in accordance with section 363(m) of the Bankruptcy Code.
4. Tender of Balance of Purchase Price/Closing: The Sale shall close, with Buyer tendering the full Purchase Price, not more than fifteen (15) calendar days after the entry of an order of the Bankruptcy Court authorizing the Sale.
5. Property Sold "As is" "Where is": The Buyer acknowledges that the Seller is a Trustee appointed to administer a Bankruptcy Estate. The Seller and or Seller's agents have not, and will not, inspect the Property or determine its condition, fitness or use for any particular purpose, nor will any of them provide any written disclosures, guarantees or warranties of any kind. Seller and Seller's agents are exempt from complying with the requirements of Article 1.5 of the California Civil Code Sections 1102-1102.17 relating to disclosures upon transfer of real property. The sale shall be "as-is" and "where is" with no warranty or recourse whatsoever. If any state or local ordinance laws require that the Property be brought into compliance, the Buyer, at his/her/its sole expense, shall comply with and pay for any such requirements.
6. Transfer of Property: Transfer of the Property by Seller shall be by Trustee's Fiduciary Quitclaim Deed. The Seller shall convey and the Buyer shall accept the marketable title to the Property that will be insured by Fidelity National Title Company, without material exception, subject only to the terms of this Counteroffer and any further documentation of the Sale consistent with this Counteroffer.
7. Liens, Claims, Encumbrances and Interests: The Sale shall be free and clear of such Liens, with the extent, validity and priority of such liens to attach to the net proceeds of the Sale.
8. Assessments, Taxes and Escrow fees: The following assessments, taxes and other costs shall be allocated as follows: (a) all allowable assessments and real property taxes shall be prorated through the closing date of the Sale to the applicable accounts of the Seller and the Buyer, such that the

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amounts applicable to the account of the Buyer shall not be deducted from the Purchase Price; (b) escrow fees shall be split equally between the Buyer and the Seller (50/50), such that the amounts allocable to the Buyer shall not be deducted from the Purchase Price; (c) the Seller shall pay real property transfer tax (County and State only) and the costs of a standard issue title insurance policy, such that these taxes and costs shall not be deducted from the Purchase Price; and (d) City transfer tax shall be split equally between Buyer and Seller (50/50), such that the amount allocable to the Buyer shall not be deducted from the Purchase Price. All other costs are at Buyer's sole expense and are not to be deducted from the Purchase Price.

9. Overbid: The Sale is subject to notice to creditors and other parties and shall be subject to higher and better bid through and including the hearing on the Approval Motion, pursuant to sale and overbid procedures determined in the Seller's sole discretion and subject to Bankruptcy Court approval. Initial overbid increment will be no less than \$5,000.00 over the Purchase Price, and thereafter in minimum increments of no less than \$1,000.00.
10. Brokers and Commissions: The Buyers are represented by Town Real Estate California DRE License #01878623 and its agent Geoffrey Moore California DRE License #01942291 (collectively "Town Real Estate") and the Seller is represented by Lido, Pacific Asset Mgmt. California DRE #00529657 and its agent Richard Haideman California DRE #00529657 (collectively "Lido"). Subject to Court approval, the Seller shall pay commission as follows, through escrow: four percent (6%) total of the Purchase Price: 3% to Town Real Estate and 3% to Lido. The Trustee reserves the right to request a carve-out or reduction of the commission if doing so is the best interest of the Estate. No commission shall be due and payable except from the cash proceeds of an actual sale of the Property to the Buyer and upon closing of such sale.
11. Seller Right to Terminate: The Seller may decline, at her option and sole discretion, to consummate the Sale for any reason, including without limitation: (a) the dismissal or closure of the Debtor's bankruptcy case; (b) the conversion of the debtor's Chapter 7 bankruptcy case to any other chapter under the Bankruptcy Code; (c) the inability to subordinate any liens on the Property to the expenses of administration; (d) the inability to obtain approval of the Sale by the Bankruptcy Court; or (e) the inability to sell the Property on the terms and conditions set forth herein. The Seller reserves the right, in her sole discretion, to determine not to consummate, and to terminate, the sale of the Property by serving a notice of such termination on the Buyer. No liability or obligations shall accrue to the bankruptcy estate or the Seller, either personally or in her capacity as Trustee, as a result of any such termination. The Buyer's sole remedy, in the event that escrow

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fails to close as a result of Seller's inability to close escrow, shall be a refund of the Deposit in full.

12. Non-Refundability and Forfeiture of Deposit: Except as set forth above in paragraph 13 to this Counteroffer, immediately upon expiration of the Due Diligence Deadline without Buyer's submission of a Notice to Cancel in accordance with paragraph 3 to this Counteroffer, the entirety of the Deposit shall be absolutely non-refundable and forfeited to the Seller. Notwithstanding the immediately preceding sentence, in the event: (a) the Bankruptcy Court enters an order that does not authorize Seller to sell the Property to the Buyer; or (b) the Bankruptcy Court enters an order that authorizes the sale to another bidder and the Buyer is not a backup bidder, Seller shall refund the entire Deposit to the Buyer within ten (10) calendar days following entry of such order of the Bankruptcy Court. In the event the Buyer is overbid and is a backup bidder, Seller shall refund the entire Deposit to the Buyer only if the Sale closes to the winning bidder and within ten (10) calendar days following such closing.

<sup>DS</sup>  
BB (Buyer's initials)

<sup>DS</sup>  
MW (Buyer's initials)


13. Escrow Instructions: Escrow instructions shall be signed by Buyer and Seller within thirty (30) calendar days after execution of this Counteroffer. In the event that Buyer is unable to close escrow within fifteen (15) calendar days after entry of the Bankruptcy Court's order authorizing the Sale (the "Closing Date"), the Buyer shall compensate the Seller one hundred dollars (\$100.00) per day for each day beyond the Closing date that the Sale does not close for a total extended period of no more than ten (10) calendar days. Thereafter, the Seller shall have absolute discretion to either: (a) provide further extensions of the Closing Date at the same rate of compensation; or (b) terminate the Sale to the Buyer and retain the entirety of the Deposit as liquidated damages.
14. Bankruptcy Court Jurisdiction: The Bankruptcy Court for the Central District of California, Riverside Division ("Court"), shall have jurisdiction to interpret and enforce the terms of this Counteroffer/agreement. This Counteroffer/agreement shall be construed pursuant to the laws of the State of California, except to the extent preempted by applicable Federal bankruptcy law.
15. Expiration of Offer: This Counteroffer shall expire, if not executed by Buyer and delivered to Seller's agent, Richard Halderman, California DRE License #00529557, of Lido Pacific Asset Mgmt., on or before 2:00 p.m. PDT, January 13, 2021.

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- 16 Multiple Offers (if applicable): Buyer recognizes that multiple offers and/or counteroffers (in addition to the Instant Counteroffer) may be pending and Seller reserves the right, per Paragraph 13, to choose which contract to submit to the Bankruptcy Court for approval.

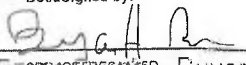
SELLER:

Date: January 11, 2021

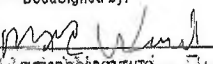
  
Lynda T. Bui, Solely in her capacity as  
Chapter 7 Trustee for the Bankruptcy Estate of  
In re Kevin Neri

Read, Understood, Agreed To and Accepted:  
Buyer(s):

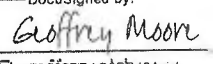
Date: January 12, 2021

DocuSigned by:  
  
Buyer

Date: January 12, 2021

DocuSigned by:  
  
Buyer

Date: January 12, 2021

DocuSigned by:  
  
Geoffrey Moore  
California DRE License #01042291  
Buyer's Agent



**CALIFORNIA  
RESIDENTIAL PURCHASE AGREEMENT  
AND JOINT ESCROW INSTRUCTIONS**  
(C.A.R. Form RPA-CA, Revised 12/18)

1. OFFER:

- Buyer's Initials XT \_\_\_\_\_ XT \_\_\_\_\_  
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CALIFORNIA RESIDENTIAL PURCHASE AGREEMENT (RPA-CA PAGE 1 OF 10)

SUBJECT TO COUNTER OFFER  
PAGE 1 OF 101

Town Real Estate, P.O. Box 5247, Parker Springs, CA 92363  
 Geoffrey Mauer, Broker/Owner

014 2223 7606-185295

Phone: 766-1150

**En**

2000-01 2000-01 2000-01

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Property Address: 555 S Indian Trail, PALM SPRINGS, CA 92264

Date: January 11, 2021

H. VERIFICATION OF DOWN PAYMENT AND CLOSING COSTS: Buyer (or Buyer's lender or loan broker pursuant to paragraph 3J(1)) shall, within 3 (or ) Days After Acceptance, Deliver to Seller written verification of Buyer's down payment and closing costs. ( ☐ Verification attached )

I. APPRAISAL CONTINGENCY AND REMOVAL: This Agreement is (or ☒ is NOT) contingent upon a written appraisal of the Property by a licensed or certified appraiser at no less than the purchase price. Buyer shall, as specified in paragraph 14B(3), in writing, remove the appraisal contingency or cancel this Agreement within 17 (or ) Days After Acceptance.

J. LOAN TERMS:

(1) LOAN APPLICATIONS: Within 3 (or ) Days After Acceptance, Buyer shall Deliver to Seller a letter from Buyer's lender or loan broker stating that, based on a review of Buyer's written application and credit report, Buyer is prequalified or preapproved for any NEW loan specified in paragraph 3D. If any loan specified in paragraph 3D is an adjustable rate loan, the prequalification or preapproval letter shall be based on the qualifying rate, not the initial loan rate. ( ☐ Letter attached )

(2) LOAN CONTINGENCY: Buyer shall act diligently and in good faith to obtain the designated loan(s). Buyer's qualification for the loan(s) specified above is a contingency of this Agreement unless otherwise agreed in writing. If there is no appraisal contingency or the appraisal contingency has been waived or removed, then failure of the Property to appraise at the purchase price does not entitle Buyer to exercise the cancellation right pursuant to the loan contingency if Buyer is otherwise qualified for the specified loan. Buyer's contractual obligations regarding deposit, balance of down payment and closing costs are not contingencies of this Agreement.

(3) LOAN CONTINGENCY REMOVAL:

Within 21 (or ) Days After Acceptance, Buyer shall, as specified in paragraph 14, in writing, remove the loan contingency or cancel this Agreement. If there is an appraisal contingency, removal of the loan contingency shall not be deemed removal of the appraisal contingency.

(4) ☐ NO LOAN CONTINGENCY: Obtaining any loan specified above is NOT a contingency of this Agreement. If Buyer does not obtain the loan and as a result does not purchase the Property, Seller may be entitled to Buyer's deposit or other legal remedies.

(5) LENDER LIMITS ON BUYER CREDITS: Any credit to Buyer, from any source, for closing or other costs that is agreed to by the Parties ("Contractual Credit") shall be disclosed to Buyer's lender. If the total credit allowed by Buyer's lender ("Lender Allowable Credit") is less than the Contractual Credit, then (i) the Contractual Credit shall be reduced to the Lender Allowable Credit, and (ii) in the absence of a separate written agreement between the Parties, there shall be no automatic adjustment to the purchase price to make up for the difference between the Contractual Credit and the Lender Allowable Credit.

K. BUYER STATED FINANCING: Seller is relying on Buyer's representation of the type of financing specified (including but not limited to, as applicable, all cash, amount of down payment, or contingent or non-contingent loan). Seller has agreed to a specific closing date, purchase price and to sell to Buyer in reliance on Buyer's covenant concerning financing. Buyer shall pursue the financing specified in this Agreement. Seller has no obligation to cooperate with Buyer's efforts to obtain any financing other than that specified in the Agreement and the availability of any such alternate financing does not excuse Buyer from the obligation to purchase the Property and close escrow as specified in this Agreement.

4. SALE OF BUYER'S PROPERTY:

A. This Agreement and Buyer's ability to obtain financing are NOT contingent upon the sale of any property owned by Buyer.

OR B. ☐ This Agreement and Buyer's ability to obtain financing are contingent upon the sale of property owned by Buyer as specified in the attached addendum (C.A.R. Form COP).

5. ADDENDA AND ADVISORIES:

A. ADDENDA:

<input type="checkbox"/> Back Up Offer Addendum (C.A.R. Form BUO)	<input type="checkbox"/> Addendum # (C.A.R. Form ADM)
<input type="checkbox"/> Septic, Well and Property Monument Addendum (C.A.R. Form SWPI)	<input type="checkbox"/> Court Confirmation Addendum (C.A.R. Form CCA)
<input type="checkbox"/> Short Sale Addendum (C.A.R. Form SSA)	<input type="checkbox"/> Other

B. BUYER AND SELLER ADVISORIES:

<input type="checkbox"/> Probate Advisory (C.A.R. Form PA)	<input checked="" type="checkbox"/> Buyer's Inspection Advisory (C.A.R. Form BIA)
<input type="checkbox"/> Trust Advisory (C.A.R. Form TA)	<input checked="" type="checkbox"/> Statewide Buyer and Seller Advisory (C.A.R. Form SBASA)
<input type="checkbox"/> Short Sale Information and Advisory (C.A.R. Form SSIA)	<input type="checkbox"/> RFO Advisory (C.A.R. Form REO)
	<input type="checkbox"/> Other

6. OTHER TERMS: Buyer to pay \$1,750 over the next highest offer up to \$720,000. Proof of next highest offer to be provided upon acceptance.

7. ALLOCATION OF COSTS

A. INSPECTIONS, REPORTS AND CERTIFICATES: Unless otherwise agreed in writing, this paragraph only determines who is to pay for the inspection, test, certificate or service ("Report") mentioned; it does not determine who is to pay for any work recommended or identified in the Report.

(1) ☐ Buyer ☒ Seller shall pay for a natural hazard zone disclosure report, including tax ☒ environmental ☐ Other: prepared by Seller's choice

(2) ☐ Buyer ☒ Seller shall pay for the following Report Pest inspection report prepared by Seller's choice

(3) ☐ Buyer ☐ Seller shall pay for the following Report prepared by

B. GOVERNMENT REQUIREMENTS AND RETROFIT:

(1) ☐ Buyer ☐ Seller shall pay for smoke alarm and carbon monoxide device installation and water heater bracing, if required by Law. Prior to Close Of Escrow ("COE"), Seller shall provide Buyer written statement(s) of compliance in accordance with state and local Law, unless Seller is exempt.

Buyer's Initials: XL SM

Seller's Initials: X

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CALIFORNIA RESIDENTIAL PURCHASE AGREEMENT (RPA-CA PAGE 2 OF 10)

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555 S Indian Trail





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Property Address: 555 S Indian Trail, PALM SPRINGS, CA 92264

Date: January 11, 2021

- (2) (i) ☐ Buyer ☐ Seller shall pay the cost of compliance with any other minimum mandatory government inspections and reports if required as a condition of closing escrow under any Law.
- (ii) ☐ Buyer ☐ Seller shall pay the cost of compliance with any other minimum mandatory government retrofit standards required as a condition of closing escrow under any Law, whether the work is required to be completed before or after COE.
- (iii) Buyer shall be provided, within the time specified in paragraph 14A, a copy of any required government conducted or point-of-sale inspection report prepared pursuant to this Agreement or in anticipation of this sale of the Property.

C. ESCROW AND TITLE:

- (1) (a) ☒ Buyer ☒ Seller shall pay escrow fee Each to pay their own share  
 (b) Escrow Holder shall be Seller's choice  
 (c) The Parties shall, within 5 (or \_\_\_\_ ) Days After receipt, sign and return Escrow Holder's general provisions.  
 (2) (a) ☐ Buyer ☒ Seller shall pay for owner's title insurance policy specified in paragraph 13E with clear title  
 (b) Owner's title policy to be issued by Seller's choice  
 (Buyer shall pay for any title insurance policy insuring Buyer's lender, unless otherwise agreed in writing.)

D. OTHER COSTS:

- (1) ☐ Buyer ☒ Seller shall pay County transfer tax or fee \_\_\_\_\_  
 (2) ☐ Buyer ☐ Seller shall pay City transfer tax or fee \_\_\_\_\_  
 (3) ☐ Buyer ☐ Seller shall pay Homeowners' Association ("HOA") transfer fee \_\_\_\_\_  
 (4) ☐ Seller shall pay HOA fees for preparing documents required to be delivered by Civil Code §4525.  
 (5) ☐ Buyer ☐ Seller shall pay HOA fees for preparing all documents other than those required by Civil Code §4525.  
 (6) Buyer to pay for any HOA certification fee. \_\_\_\_\_  
 (7) ☐ Buyer ☐ Seller shall pay for any private transfer fee \_\_\_\_\_  
 (8) ☐ Buyer ☐ Seller shall pay for \_\_\_\_\_  
 (9) ☐ Buyer ☐ Seller shall pay for \_\_\_\_\_  
 (10) ☐ Buyer ☐ Seller shall pay for the cost, not to exceed \$ \_\_\_\_\_, of a standard (or ☐ upgraded) one-year home warranty plan, issued by \_\_\_\_\_ with the following optional coverages: ☐ Air Conditioner ☐ Pool/Spa ☐ Other: \_\_\_\_\_  
 Buyer is informed that home warranty plans have many optional coverages in addition to those listed above. Buyer is advised to investigate these coverages to determine those that may be suitable for Buyer.

OR ☒ Buyer waives the purchase of a home warranty plan. Nothing in this paragraph precludes Buyer's purchasing a home warranty plan during the term of this Agreement.

**8. ITEMS INCLUDED IN AND EXCLUDED FROM SALE:**

A. NOTE TO BUYER AND SELLER: Items listed as included or excluded in the MLS, flyers or marketing materials are not included in the purchase price or excluded from the sale unless specified in paragraph 8 B or C.

**B. ITEMS INCLUDED IN SALE:** Except as otherwise specified or disclosed.

- (1) All EXISTING fixtures and fittings that are attached to the Property;
- (2) EXISTING electrical, mechanical, lighting, plumbing and heating fixtures, ceiling fans, fireplace inserts, gas logs and grates, solar power systems, built-in appliances, window and door screens, awnings, shutters, window coverings, attached floor coverings, television antennas, satellite dishes, air coolers/conditioners, pool/spa equipment, garage door openers/remote controls, mailbox, in-ground landscaping, trees/shrubs, water features and fountains, water softeners, water purifiers, security systems/alarms and the following if checked: ☐ all stove(s), except \_\_\_\_\_; ☐ all refrigerator(s) except \_\_\_\_\_; ☐ all washer(s) and dryer(s), except \_\_\_\_\_;
- (3) The following additional items: \_\_\_\_\_;
- (4) Existing integrated phone and home automation systems, including necessary components such as intranet and Internet-connected hardware or devices, control units (other than non-dedicated mobile devices, electronics and computers) and applicable software, permissions, passwords, codes and access information, are (☐ are NOT) included in the sale.
- (5) **LEASED OR LIENED ITEMS AND SYSTEMS:** Seller shall, within the time specified in paragraph 14A, (i) disclose to Buyer if any item or system specified in paragraph 8B or otherwise included in the sale is leased, or not owned by Seller, or specifically subject to a lien or other encumbrance, and (ii) Deliver to Buyer all written materials (such as lease, warranty, etc.) concerning any such item. Buyer's ability to assume any such lease, or willingness to accept the Property subject to any such lien or encumbrance, is a contingency in favor of Buyer and Seller as specified in paragraph 14B and C.
- (6) Seller represents that all items included in the purchase price, unless otherwise specified, (i) are owned by Seller and shall be transferred free and clear of liens and encumbrances, except the items and systems identified pursuant to 8B(5) and \_\_\_\_\_, and (ii) are transferred without Seller warranty regardless of value.

C. **ITEMS EXCLUDED FROM SALE:** Unless otherwise specified, the following items are excluded from sale: (i) audio and video components (such as flat screen TVs, speakers and other items) if any such item is not itself attached to the Property, even if a bracket or other mechanism attached to the component or item is attached to the Property; (ii) furniture and other items secured to the Property for earthquake purposes; and (iii) *All personal items*

Brackets attached to walls, floors or ceilings for any such component, furniture or item shall remain with the Property (or will be removed and holes or other damage shall be repaired, but not painted).

#### 9. CLOSING AND POSSESSION:

- B. Seller-occupied or vacant property: Possession shall be delivered to Buyer (i) at 6 PM or ( ) AM/ ( ) PM on the date of Close Of Escrow; (ii) no later than calendar days after Close Of Escrow; or (iii) at ( ) AM/ ( ) PM on ( )

Buyer's Initials: RF 1941

Seller's Initials X( ) ( )

RPA-CA REVISED 12/18 (PAGE 3 OF 10)

CALIFORNIA RESIDENTIAL PURCHASE AGREEMENT (RPA-CA PAGE 3 OF 10)

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8. *Incubation* Td



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Property Address: 555 S Indian Trail, PALM SPRINGS, CA 92264

Date: January 11, 2021

- C. Seller remaining in possession After Close Of Escrow: If Seller has the right to remain in possession after Close Of Escrow, (i) the Parties are advised to sign a separate occupancy agreement such as ☐ C.A.R. Form SIP, for Seller continued occupancy of less than 30 days, ☐ C.A.R. Form RAS for Seller continued occupancy of 30 days or more; and (ii) the Parties are advised to consult with their insurance and legal advisors for information about liability and damage or injury to persons and personal and real property, and (iii) Buyer is advised to consult with Buyer's lender about the impact of Seller's occupancy on Buyer's loan.
- D. Tenant-occupied property: Property shall be vacant at least 5 (or ☐ ) Days Prior To Close Of Escrow, unless otherwise agreed in writing. Note to Seller: If you are unable to deliver Property vacant in accordance with rent control and other applicable Law, you may be in breach of this Agreement.
- OR ☐ Tenant to remain in possession (C.A.R. Form TIP).
- E. At Close Of Escrow, Seller assigns to Buyer any assignable warranty rights for items included in the sale; and Seller shall Deliver to Buyer available Copies of any such warranties. Brokers cannot and will not determine the assignability of any warranties.
- F. At Close Of Escrow, unless otherwise agreed in writing, Seller shall provide keys, passwords, codes and/or means to operate all locks, mailboxes, security systems, alarms, home automation systems and intranet and Internet-connected devices included in the purchase price, and garage door openers. If the Property is a condominium or located in a common interest subdivision, Buyer may be required to pay a deposit to the Homeowners' Association ("HOA") to obtain keys to accessible HOA facilities.
- 10. STATUTORY AND OTHER DISCLOSURES (INCLUDING LEAD-BASED PAINT HAZARD DISCLOSURES) AND CANCELLATION RIGHTS:**
- A. (1) Seller shall, within the time specified in paragraph 14A, Deliver to Buyer: (i) if required by Law, a fully completed: Federal Lead-Based Paint Disclosures (C.A.R. Form FLD) and pamphlet ("Lead Disclosures"); and (ii) unless exempt, fully completed disclosures or notices required by sections 1102 et. seq. and 1103 et. seq. of the Civil Code ("Statutory Disclosures"). Statutory Disclosures include, but are not limited to, a Real Estate Transfer Disclosure Statement ("TDS"), Natural Hazard Disclosure Statement ("NHD"), notice of actual knowledge of release of illegal controlled substance, notice of special tax and/or assessments (or, if allowed, substantially equivalent notice regarding the Mello-Roes Community Facilities Act of 1982 and Improvement Bond Act of 1915) and, if Seller has actual knowledge, of industrial use and military ordnance location (C.A.R. Form SPQ or ESD).
- (2) Any Statutory Disclosure required by this paragraph is considered fully completed if Seller has answered all questions and completed and signed the Seller section(s) and the Seller's Agent, if any, has completed and signed the Seller's Brokerage Firm section(s), or, if applicable, an Agent Visual Inspection Disclosure (C.A.R. Form AVID). Nothing stated herein relieves a Buyer's Brokerage Firm, if any, from the obligation to (i) conduct a reasonably competent and diligent visual inspection of the accessible areas of the Property and disclose, on Section IV of the TDS, or an AVID, material facts affecting the value or desirability of the Property that were or should have been revealed by such an inspection or (ii) complete any sections on all disclosures required to be completed by Buyer's Brokerage Firm.
- (3) Note to Buyer and Seller: Waiver of Statutory and Lead Disclosures is prohibited by Law.
- (4) Within the time specified in paragraph 14A, (i) Seller, unless exempt from the obligation to provide a TDS, shall, complete and provide Buyer with a Seller Property Questionnaire (C.A.R. Form SPQ); (ii) if Seller is not required to provide a TDS, Seller shall complete and provide Buyer with an Exempt Seller Disclosure (C.A.R. Form ESD).
- (5) Buyer shall, within the time specified in paragraph 14B(1), return Signed Copies of the Statutory, Lead and other disclosures to Seller.
- (6) In the event Seller or Seller's Brokerage Firm, prior to Close Of Escrow, becomes aware of adverse conditions materially affecting the Property, or any material inaccuracy in disclosures, information or representations previously provided to Buyer, Seller shall promptly provide a subsequent or amended disclosure or notice, in writing, covering those items. However, a subsequent or amended disclosure shall not be required for conditions and material inaccuracies of which Buyer is otherwise aware, or which are disclosed in reports provided to or obtained by Buyer or ordered and paid for by Buyer.
- (7) If any disclosure or notice specified in paragraph 10A(1), or subsequent or amended disclosure or notice is Delivered to Buyer after the offer is Signed, Buyer shall have the right to cancel this Agreement within 3 Days After Delivery in person, or 5 Days After Delivery by deposit in the mail, or by an electronic record satisfying the Uniform Electronic Transactions Act (UETA), by giving written notice of cancellation to Seller or Seller's agent.
- B. NATURAL AND ENVIRONMENTAL HAZARD DISCLOSURES AND OTHER BOOKLETS: Within the time specified in paragraph 14A, Seller shall, if required by Law: (i) Deliver to Buyer earthquake guide(s) (and questionnaire), environmental hazards booklet, and home energy rating pamphlet; (ii) disclose if the Property is located in a Special Flood Hazard Area; Potential Flooding (Inundation) Area; Very High Fire Hazard Zone; State Fire Responsibility Area; Earthquake Fault Zone; and Seismic Hazard Zone; and (iii) disclose any other zone as required by Law and provide any other information required for these zones.
- C. WITHHOLDING TAXES: Within the time specified in paragraph 14A, to avoid required withholding, Seller shall Deliver to Buyer or qualified substitute, an affidavit sufficient to comply with federal (FIRPTA) and California withholding Law (C.A.R. Form AS or QS).
- D. MEGAN'S LAW DATABASE DISCLOSURE: Notice: Pursuant to Section 290.46 of the Penal Code, information about specified registered sex offenders is made available to the public via an Internet Web site maintained by the Department of Justice at [www.meganslaw.ca.gov](http://www.meganslaw.ca.gov). Depending on an offender's criminal history, this information will include either the address at which the offender resides or the community of residence and ZIP Code in which he or she resides. (Neither Seller nor Brokers are required to check this website. If Buyer wants further information, Broker recommends that Buyer obtain information from this website during Buyer's inspection contingency period. Brokers do not have expertise in this area.)
- E. NOTICE REGARDING GAS AND HAZARDOUS LIQUID TRANSMISSION PIPELINES: This notice is being provided simply to inform you that information about the general location of gas and hazardous liquid transmission pipelines is available to the public via the National Pipeline Mapping System (NPMS) Internet Web site maintained by the United States Department of Transportation at <http://www.npms.phmsa.dot.gov/>. To seek further information about possible transmission pipelines near the Property, you may contact your local gas utility or other pipeline operators in the area. Contact information for pipeline operators is searchable by ZIP Code and county on the NPMS Internet Web site.
- F. CONDOMINIUM/PLANNED DEVELOPMENT DISCLOSURES:
- (1) SELLER HAS: 7 (or ☐ ) Days After Acceptance to disclose to Buyer if the Property is a condominium, or is located in a planned development or other common interest subdivision (C.A.R. Form SPQ or ESD).

Buyer's Initials X( SS ) X( MW )

Seller's Initials X(            ), (            )



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CALIFORNIA RESIDENTIAL PURCHASE AGREEMENT (RPA-CA PAGE 4 OF 10)

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SSS Indian Trl

SUBJECT TO COUNTER OFFER

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Property Address: 655 S Indian Trail, PALM SPRINGS, CA 92264

Date: January 11, 2021

- (2) If the Property is a condominium or is located in a planned development or other common interest subdivision, Seller has 3 (or     ) Days After Acceptance to request from the HOA (C.A.R. Form HOA1): (i) Copies of any documents required by Law; (ii) disclosure of any pending or anticipated claim or litigation by or against the HOA; (iii) a statement containing the location and number of designated parking and storage spaces; (iv) Copies of the most recent 12 months of HOA minutes for regular and special meetings; and (v) the names and contact information of all HOAs governing the Property (collectively, "CI Disclosures"). (vi) private transfer fees; (vii) Pet fee restrictions; and (viii) smoking restrictions. Seller shall itemize and Deliver to Buyer all CI Disclosures received from the HOA and any CI Disclosures in Seller's possession. Buyer's approval of CI Disclosures is a contingency of this Agreement as specified in paragraph 14B(3). The Party specified in paragraph 7, as directed by escrow, shall deposit funds into escrow or direct to HOA or management company to pay for any of the above.
11. **CONDITION OF PROPERTY:** Unless otherwise agreed in writing: (i) the Property is sold (a) "AS-IS" in its PRESENT physical condition as of the date of Acceptance and (b) subject to Buyer's investigation rights; (ii) the Property, including pool, spa, landscaping and grounds, is to be maintained in substantially the same condition as on the date of Acceptance; and (iii) all debris and personal property not included in the sale shall be removed by Close Of Escrow.
- A. Seller shall, within the time specified in paragraph 14A, DISCLOSE KNOWN MATERIAL FACTS AND DEFECTS affecting the Property, including known insurance claims within the past five years, and make any and all other disclosures required by law.
- B. Buyer has the right to conduct Buyer Investigations of the Property and, as specified in paragraph 14B, based upon information discovered in those investigations: (i) cancel this Agreement, or (ii) request that Seller make Repairs or take other action.
- C. Buyer is strongly advised to conduct investigations of the entire Property in order to determine its present condition. Seller may not be aware of all defects affecting the Property or other factors that Buyer considers important. Property improvements may not be built according to code, in compliance with current Law, or have had permits issued.
12. **BUYER'S INVESTIGATION OF PROPERTY AND MATTERS AFFECTING PROPERTY:**
- A. Buyer's acceptance of the condition of, and any other matter affecting the Property, is a contingency of this Agreement as specified in this paragraph and paragraph 14B. Within the time specified in paragraph 14B(1), Buyer shall have the right, at Buyer's expense unless otherwise agreed, to conduct inspections, investigations, tests, surveys and other studies ("Buyer Investigations"), including, but not limited to: (i) a general physical inspection; (ii) an inspection specifically for wood destroying pests and organisms. Any inspection for wood destroying pests and organisms shall be prepared by a registered Structural Pest Control company; shall cover the main building and attached structures; may cover detached structures; shall NOT include water tests of shower pans on upper level units unless the owners of property below the shower current, shall NOT include roof coverings; and, if the Property is a unit in a condominium or other common interest subdivision, the inspection shall include only the separate interest and any exclusive-use areas being transferred, and shall NOT include common areas; and shall include a report ("Pest Control Report") showing the findings of the company which shall be separated into sections for evident infestation or infections (Section 1) and for conditions likely to lead to infestation or infection (Section 2); (iii) inspect for lead-based paint and other lead-based paint hazards; (iv) satisfy Buyer as to any matter specified in the attached Buyer's Inspection Advisory (C.A.R. Form BIA); (v) review the registered sex offender database; (vi) confirm the insurability of Buyer and the Property including the availability and cost of flood and fire insurance; and (vii) review and seek approval of leases that may need to be assumed by Buyer. Without Seller's prior written consent, Buyer shall neither make nor cause to be made: invasive or destructive Buyer Investigations, except for minimally invasive testing required to prepare a Pest Control Report, or inspections by any governmental building or zoning inspector or government employee, unless required by Law.
- B. Seller shall make the Property available for all Buyer Investigations. Buyer shall (i) as specified in paragraph 14B, complete Buyer Investigations and either remove the contingency or cancel this Agreement, and (ii) give Seller, at no cost, complete Copies of all such Investigation reports obtained by Buyer, which obligation shall survive the termination of this Agreement.
- C. Seller shall have water, gas, electricity and all operable pilot lights on for Buyer's Investigations and through the date possession is made available to Buyer.
- D. **Buyer indemnity and seller protection for entry upon property:** Buyer shall: (i) keep the Property free and clear of liens; (ii) repair all damage arising from Buyer Investigations; and (iii) indemnify and hold Seller harmless from all resulting liability, claims, demands, damages and costs. Buyer shall carry, or Buyer shall require anyone acting on Buyer's behalf to carry, policies of liability, workers' compensation and other applicable insurance, defending and protecting Seller from liability for any injuries to persons or property occurring during any Buyer Investigations or work done on the Property at Buyer's direction prior to Close Of Escrow. Seller is advised that certain protections may be afforded Seller by recording a "Notice of Non-Responsibility" (C.A.R. Form NNR) for Buyer Investigations and work done on the Property at Buyer's direction. Buyer's obligations under this paragraph shall survive the termination of this Agreement.
13. **TITLE AND VESTING:**
- A. Within the time specified in paragraph 14, Buyer shall be provided a current preliminary title report ("Preliminary Report"). The Preliminary Report is only an offer by the title insurer to issue a policy of title insurance and may not contain every item affecting title. Buyer's review of the Preliminary Report and any other matters which may affect title are a contingency of this Agreement as specified in paragraph 14B. The company providing the Preliminary Report shall, prior to issuing a Preliminary Report, conduct a search of the General Index for all Sellers except banks or other institutional lenders selling properties they acquired through foreclosure (REOs), corporations, and government entities. Seller shall within 7 Days After Acceptance, give Escrow Holder a completed Statement of Information.
- B. Title is taken in its present condition subject to all encumbrances, easements, covenants, conditions, restrictions, rights and other matters, whether of record or not, as of the date of Acceptance except for: (i) monetary liens of record (which Seller is obligated to pay off) unless Buyer is assuming those obligations or taking the Property subject to those obligations; and (ii) those matters which Seller has agreed to remove in writing.
- C. Within the time specified in paragraph 14A, Seller has a duty to disclose to Buyer all matters known to Seller affecting title, whether of record or not.
- D. At Close Of Escrow, Buyer shall receive a grant deed conveying title (or, for stock cooperative or long-term lease, an assignment of stock certificate or of Seller's leasehold interest), including oil, mineral and water rights if currently owned by Seller. Title shall vest as designated in Buyer's supplemental escrow instructions. THE MANNER OF TAKING TITLE MAY HAVE SIGNIFICANT LEGAL AND TAX CONSEQUENCES. CONSULT AN APPROPRIATE PROFESSIONAL.
- E. Buyer shall receive a CLTA/ALTA "Homeowner's Policy of Title Insurance", if applicable to the type of property and buyer. If not, Escrow Holder shall notify Buyer. A title company can provide information about the availability, coverage, and cost of other title policies and endorsements. If the Homeowner's Policy is not available, Buyer shall choose another policy, instruct Escrow Holder in writing and shall pay any increase in cost.

Buyer's Initials X(      ) (      )

Seller's Initials X(      ) (      )

RPA-CA REVISED 12/18 (PAGE 5 OF 10)

CALIFORNIA RESIDENTIAL PURCHASE AGREEMENT (RPA-CA PAGE 5 OF 10)

Produced with Legal Wolf Transactions (2019 Edition) 231 Shearman & Sterling, Ontario, Canada N1T 1J5 www.legalwolf.com

555 S Indian Trail



SUBJECT TO COUNTER OFFER



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Property Address: 555 S Indian Trail, PALM SPRINGS, CA 92264

Date: January 11, 2021

14. **TIME PERIODS; REMOVAL OF CONTINGENCIES; CANCELLATION RIGHTS:** The following time periods may only be extended, altered, modified or changed by mutual written agreement. Any removal of contingencies or cancellation under this paragraph by either Buyer or Seller must be exercised in good faith and in writing (C.A.R. Form CR or CC).

A. **SELLER HAS:** 7 (or \_\_\_\_\_) Days After Acceptance to Deliver to Buyer all Reports, disclosures and information for which Seller is responsible under paragraphs 5, 6, 7, 8B(5), 10A, B, C, and F, 11A and 13A. If, by the time specified, Seller has not Delivered any such item, Buyer after first Delivering to Seller a Notice to Seller to Perform (C.A.R. Form NSP) may cancel this Agreement.

B. (1) **BUYER HAS:** 17 (or \_\_\_\_\_) Days After Acceptance, unless otherwise agreed in writing, to:

(i) complete all Buyer Investigations; review all disclosures, reports, lease documents to be assumed by Buyer pursuant to paragraph 8B(5), and other applicable information, which Buyer receives from Seller, and approve all matters affecting the Property; and (ii) Deliver to Seller Signed Copies of Statutory and Lead Disclosures and other disclosures Delivered by Seller in accordance with paragraph 10A.

(2) Within the time specified in paragraph 14B(1), Buyer may request that Seller make repairs or take any other action regarding the Property (C.A.R. Form RR). Seller has no obligation to agree to or respond to (C.A.R. Form RRRR) Buyer's requests.

(3) By the end of the time specified in paragraph 14B(1) (or as otherwise specified in this Agreement), Buyer shall Deliver to Seller a removal of the applicable contingency or cancellation (C.A.R. Form CR or CC) of this Agreement. However, if any report, disclosure or information for which Seller is responsible is not Delivered within the time specified in paragraph 14A, then Buyer has 5 (or \_\_\_\_\_) Days After Delivery of any such items, or the time specified in paragraph 14B(1), whichever is later, to Deliver to Seller a removal of the applicable contingency or cancellation of this Agreement.

(4) **Continuation of Contingency:** Even after the end of the time specified in paragraph 14B(1) and before Seller cancels, if at all, pursuant to paragraph 14D, Buyer retains the right in writing, to either (i) remove remaining contingencies, or (ii) cancel this Agreement based on a remaining contingency. Once Buyer's written removal of all contingencies is Delivered to Seller, Seller may not cancel this Agreement pursuant to paragraph 14D(1).

(5) **Access to Property:** Buyer shall have access to the Property to conduct inspections and investigations for 17 (or \_\_\_\_\_) Days After Acceptance, whether or not any part of the Buyer's Investigation Contingency has been waived or removed.

C. **REMOVAL OF CONTINGENCIES WITH OFFER:** Buyer removes the contingencies specified in the attached Contingency Removal form (C.A.R. Form CR). If Buyer removes any contingency without an adequate understanding of the Property's condition or Buyer's ability to purchase, Buyer is acting against the advice of Broker.

D. **SELLER RIGHT TO CANCEL:**

(1) **Seller right to Cancel; Buyer Contingencies:** If, by the time specified in this Agreement, Buyer does not Deliver to Seller a removal of the applicable contingency or cancellation of this Agreement, then Seller, after first Delivering to Buyer a Notice to Buyer to Perform (C.A.R. Form NBP), may cancel this Agreement. In such event, Seller shall authorize the return of Buyer's deposit, except for fees incurred by Buyer.

(2) **Seller right to Cancel; Buyer Contract Obligations:** Seller, after first delivering to Buyer a NBP, may cancel this Agreement if, by the time specified in this Agreement, Buyer does not take the following action(s): (i) Deposit funds as required by paragraph 3A, or 3B or if the funds deposited pursuant to paragraph 3A or 3B are not good when deposited; (ii) Deliver a notice of FHA or VA costs or terms as required by paragraph 3D(3) (C.A.R. Form FVA); (iii) Deliver a letter as required by paragraph 3J(1); (iv) Deliver verification, or a satisfactory verification if Seller reasonably disapproves of the verification already provided, as required by paragraph 3C or 3H; (v) In writing assume or accept leases or liens specified in 8B5; (vi) Return Statutory and Lead Disclosures as required by paragraph 10A(5); or (vii) Sign or initial a separate liquidated damages form for an increased deposit as required by paragraphs 3B and 21B; or (viii) Provide evidence of authority to sign in a representative capacity as specified in paragraph 19. In such event, Seller shall authorize the return of Buyer's deposit, except for fees incurred by Buyer.

E. **NOTICE TO BUYER OR SELLER TO PERFORM:** The NBP or NSP shall: (i) be in writing; (ii) be signed by the applicable Buyer or Seller; and (iii) give the other Party at least 2 (or \_\_\_\_\_) Days After Delivery (or until the time specified in the applicable paragraph, whichever occurs last) to take the applicable action. A NBP or NSP may not be Delivered any earlier than 2 Days Prior to the expiration of the applicable time for the other Party to remove a contingency or cancel this Agreement or meet an obligation specified in paragraph 14.

F. **EFFECT OF BUYER'S REMOVAL OF CONTINGENCIES:** If Buyer removes, in writing, any contingency or cancellation rights, unless otherwise specified in writing, Buyer shall conclusively be deemed to have: (i) completed all Buyer Investigations, and review of reports and other applicable information and disclosures pertaining to that contingency or cancellation right; (ii) elected to proceed with the transaction; and (iii) assumed all liability, responsibility and expense for Repairs or corrections pertaining to that contingency or cancellation right, or for the inability to obtain financing.

G. **CLOSE OF ESCROW:** Before Buyer or Seller may cancel this Agreement for failure of the other Party to close escrow pursuant to this Agreement, Buyer or Seller must first Deliver to the other Party a demand to close escrow (C.A.R. Form DCE). The DCE shall: (i) be signed by the applicable Buyer or Seller; and (ii) give the other Party at least 3 (or \_\_\_\_\_) Days After Delivery to close escrow. A DCE may not be Delivered any earlier than 3 Days Prior to the scheduled close of escrow.

H. **EFFECT OF CANCELLATION ON DEPOSITS:** If Buyer or Seller gives written notice of cancellation pursuant to rights duly exercised under the terms of this Agreement, the Parties agree to Sign mutual instructions to cancel the sale and escrow and release deposits, if any, to the party entitled to the funds, less fees and costs incurred by that party. Fees and costs may be payable to service providers and vendors for services and products provided during escrow. Except as specified below, release of funds will require mutual Signed release instructions from the Parties, judicial decision or arbitration award. If either Party fails to execute mutual instructions to cancel escrow, one Party may make a written demand to Escrow Holder for the deposit. (C.A.R. Form BORD or SBOD). Escrow Holder, upon receipt, shall promptly deliver notice of the demand to the other Party. If, within 10 Days After Escrow Holder's notice, the other Party does not object to the demand, Escrow Holder shall disburse the deposit to the Party making the demand. If Escrow Holder complies with the preceding process, each Party shall be deemed to have released Escrow Holder from any and all claims or liability related to the disbursement of the deposit. Escrow Holder, at its discretion, may nonetheless require mutual cancellation instructions. A Party may be subject to a civil penalty of up to \$1,000 for refusal to sign cancellation instructions if no good faith dispute exists as to who is entitled to the deposited funds (Civil Code §1057.3).

Buyer's Initials X( SS ) X( FW )

Seller's Initials X( \_\_\_\_\_ ) X( \_\_\_\_\_ )

RPA-CA REVISED 12/18 (PAGE 6 OF 10)

CALIFORNIA RESIDENTIAL PURCHASE AGREEMENT (RPA-CA PAGE 6 OF 10)

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555 S Indian Trl



DocuSign Envelope ID: 626E6FDB 864C 4AE2-8972-C3327037179B0

Property Address: 555 S Indian Trail, PALM SPRINGS, CA 92264

Date: January 11, 2021

15. **FINAL VERIFICATION OF CONDITION:** Buyer shall have the right to make a final verification of the Property within 5 (or \_\_\_\_\_) Days Prior to Close Of Escrow, NOT AS A CONTINGENCY OF THE SALE, but solely to confirm: (i) the Property is maintained pursuant to paragraph 11; (ii) Repairs have been completed as agreed; and (iii) Seller has complied with Seller's other obligations under this Agreement (C.A.R. Form VP).
16. **REPAIRS:** Repairs shall be completed prior to final verification of condition unless otherwise agreed in writing. Repairs to be performed at Seller's expense may be performed by Seller or through others, provided that the work complies with applicable Law, including governmental permit, inspection and approval requirements. Repairs shall be performed in a good, skillful manner with materials of quality and appearance comparable to existing materials. It is understood that exact restoration of appearance or cosmetic items following all Repairs may not be possible. Seller shall: (i) obtain invoices and paid receipts for Repairs performed by others, (ii) prepare a written statement indicating the Repairs performed by Seller and the date of such Repairs; and (iii) provide Copies of invoices and paid receipts and statements to Buyer prior to final verification of condition.
17. **PRORATIONS OF PROPERTY TAXES AND OTHER ITEMS:** Unless otherwise agreed in writing, the following items shall be PAID CURRENT and prorated between Buyer and Seller as of Close Of Escrow: real property taxes and assessments, interest, rents, HOA regular, special, and emergency dues and assessments imposed prior to Close Of Escrow, premiums on insurance assumed by Buyer, payments on bonds and assessments assumed by Buyer, and payments on Mello-Ross and other Special Assessment District bonds and assessments that are now a lien. The following items shall be assumed by Buyer WITHOUT CREDIT toward the purchase price: prorated payments on Mello-Ross and other Special Assessment District bonds and assessments and HOA special assessments that are now a lien but not yet due. Property will be reassessed upon change of ownership. Any supplemental tax bills shall be paid as follows: (i) for periods after Close Of Escrow, by Buyer; and (ii) for periods prior to Close Of Escrow, by Seller (see C.A.R. Form SPT or SBSA for further information). TAX BILLS ISSUED AFTER CLOSE OF ESCROW SHALL BE HANDLED DIRECTLY BETWEEN BUYER AND SELLER. Prorations shall be made based on a 30-day month.
18. **BROKERS:**
- A. **COMPENSATION:** Seller or Buyer, or both, as applicable, agree to pay compensation to Broker as specified in a separate written agreement between Broker and that Seller or Buyer. Compensation is payable upon Close Of Escrow, or if escrow does not close, as otherwise specified in the agreement between Broker and that Seller or Buyer.
- B. **SCOPE OF DUTY:** Buyer and Seller acknowledge and agree that Broker: (i) Does not decide what price Buyer should pay or Seller should accept; (ii) Does not guarantee the condition of the Property; (iii) Does not guarantee the performance, adequacy or completeness of inspections, services, products or repairs provided or made by Seller or others; (iv) Does not have an obligation to conduct an inspection of common areas or areas off the site of the Property; (v) Shall not be responsible for identifying defects on the Property, in common areas, or offsite unless such defects are visually observable by an inspection of reasonably accessible areas of the Property or are known to Broker; (vi) Shall not be responsible for inspecting public records or permits concerning the title or use of Property; (vii) Shall not be responsible for identifying the location of boundary lines or other items affecting title; (viii) Shall not be responsible for verifying square footage, representations of others or information contained in investigation reports, Multiple Listing Service, advertisements, flyers or other promotional material; (ix) Shall not be responsible for determining the fair market value of the Property or any personal property included in the sale; (x) Shall not be responsible for providing legal or tax advice regarding any aspect of a transaction entered into by Buyer or Seller; and (xi) Shall not be responsible for providing other advice or information that exceeds the knowledge, education and experience required to perform real estate licensed activity. Buyer and Seller agree to seek legal, tax, insurance, title and other desired assistance from appropriate professionals.
19. **REPRESENTATIVE CAPACITY:** If one or more Parties is signing this Agreement in a representative capacity and not for him/herself as an individual then that Party shall so indicate in paragraph 31 or 32 and attach a Representative Capacity Signature Disclosure (C.A.R. Form RCSD). Wherever the signature or initials of the representative identified in the RCSD appear on this Agreement or any related documents, it shall be deemed to be in a representative capacity for the entity described and not in an individual capacity, unless otherwise indicated. The Party acting in a representative capacity (i) represents that the entity for which that party is acting already exists and (ii) shall deliver to the other Party and Escrow Holder, within 3 Days After Acceptance, evidence of authority to act in that capacity (such as but not limited to: applicable portion of the trust or Certification Of Trust (Probate Code §18100.5), letters testamentary, court order, power of attorney, corporate resolution, or formation documents of the business entity).
20. **JOINT ESCROW INSTRUCTIONS TO ESCROW HOLDER:**
- A. The following paragraphs, or applicable portions thereof, of this Agreement constitute the joint escrow instructions of Buyer and Seller to Escrow Holder, which Escrow Holder is to use along with any related counter offers and addenda, and any additional mutual instructions to close the escrow: paragraphs 1, 3, 4B, 5A, 6, 7, 10C, 13, 14G, 17, 18A, 19, 20, 25, 29, 30, 31, 32 and paragraph D of the section titled Real Estate Brokers on page 10. If a Copy of the separate compensation agreement(s) provided for in paragraph 12A, or paragraph D of the section titled Real Estate Brokers on page 10 is deposited with Escrow Holder by Broker, Escrow Holder shall accept such agreement(s) and pay out from Buyer's or Seller's funds, or both, as applicable, the Broker's compensation provided for in such agreement(s). The terms and conditions of this Agreement not set forth in the specified paragraphs are additional matters for the information of Escrow Holder, but about which Escrow Holder need not be concerned. Buyer and Seller will receive Escrow Holder's general provisions, if any, directly from Escrow Holder and will execute such provisions within the time specified in paragraph 7C(1)(c). To the extent the general provisions are inconsistent or conflict with this Agreement, the general provisions will control as to the duties and obligations of Escrow Holder only. Buyer and Seller will execute additional instructions, documents and forms provided by Escrow Holder that are reasonably necessary to close the escrow and, as directed by Escrow Holder, within 3 (or \_\_\_\_\_) Days, shall pay to Escrow Holder or HOA or HOA management company or others any fee required by paragraphs 7, 10 or elsewhere in this Agreement.
- B. A Copy of this Agreement including any counter offer(s) and addenda shall be delivered to Escrow Holder within 3 Days After Acceptance (or \_\_\_\_\_). Buyer and Seller authorize Escrow Holder to accept and rely on Copies and Signatures as defined in this Agreement as originals, to open escrow and for other purposes of escrow. The validity of this Agreement as between Buyer and Seller is not affected by whether or when Escrow Holder Signs this Agreement. Escrow Holder shall provide Seller's Statement of Information to Title company when received from Seller. If Seller delivers an affidavit to Escrow Holder to satisfy Seller's FIRPTA obligation under paragraph 10C, Escrow Holder shall deliver to Buyer a Qualified Substitute statement that complies with federal law.

Buyer's Initials SS XT (M) W  
RPA-CA REVISED 12/18 (PAGE 7 OF 10)

Seller's Initials XT (M) W

CALIFORNIA RESIDENTIAL PURCHASE AGREEMENT (RPA-CA PAGE 7 OF 10)

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555 S Indian Trail



SUBJECT TO COUNTER OFFER

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Property Address: 555 S Indian Trail, PALM SPRINGS, CA 92254

Date: January 11, 2021

- C. Brokers are a party to the escrow for the sole purpose of compensation pursuant to paragraph 18A and paragraph D of the section titled Real Estate Brokers on page 10. Buyer and Seller irrevocably assign to Brokers compensation specified in paragraph 18A, and irrevocably instruct Escrow Holder to disburse those funds to Brokers at Close Of Escrow or pursuant to any other mutually executed cancellation agreement. Compensation instructions can be amended or revoked only with the written consent of Brokers. Buyer and Seller shall release and hold harmless Escrow Holder from any liability resulting from Escrow Holder's payment to Broker(s) of compensation pursuant to this Agreement.
- D. Upon receipt, Escrow Holder shall provide Seller and Seller's Broker verification of Buyer's deposit of funds pursuant to paragraph 3A and 3B. Once Escrow Holder becomes aware of any of the following, Escrow Holder shall immediately notify all Brokers: (i) if Buyer's initial or any additional deposit or down payment is not made pursuant to this Agreement, or is not good at time of deposit with Escrow Holder, or (ii) if Buyer and Seller instruct Escrow Holder to cancel escrow.
- E. A Copy of any amendment that affects any paragraph of this Agreement for which Escrow Holder is responsible shall be delivered to Escrow Holder within 3 Days after mutual execution of the amendment.

**21. REMEDIES FOR BUYER'S BREACH OF CONTRACT:**

- A. Any clause added by the Parties specifying a remedy (such as release or forfeiture of deposit or making a deposit non-refundable) for failure of Buyer to complete the purchase in violation of this Agreement shall be deemed invalid unless the clause independently satisfies the statutory liquidated damages requirements set forth in the Civil Code.
- B. **LIQUIDATED DAMAGES:** If Buyer fails to complete this purchase because of Buyer's default, Seller shall retain, as liquidated damages, the deposit actually paid. If the Property is a dwelling with no more than four units, one of which Buyer intends to occupy, then the amount retained shall be no more than 3% of the purchase price. Any excess shall be returned to Buyer. Except as provided in paragraph 14H, release of funds will require mutual, Signed release instructions from both Buyer and Seller, judicial decision or arbitration award. **AT THE TIME OF ANY INCREASED DEPOSIT BUYER AND SELLER SHALL SIGN A SEPARATE LIQUIDATED DAMAGES PROVISION INCORPORATING THE INCREASED DEPOSIT AS LIQUIDATED DAMAGES (C.A.R. FORM-RID).**

Buyer's Initials: SB MW

Seller's Initials: 1

**22. DISPUTE RESOLUTION:**

- A. **MEDIATION:** The Parties agree to mediate any dispute or claim arising between them out of this Agreement, or any resulting transaction, before resorting to arbitration or court action through the C.A.R. Real Estate Mediation Center for Consumers ([www.consumermediation.org](http://www.consumermediation.org)) or through any other mediation provider or service mutually agreed to by the Parties. The Parties also agree to mediate any disputes or claims with Broker(s), who, in writing, agree to such mediation prior to, or within a reasonable time after, the dispute or claim is presented to the Broker. Mediation fees, if any, shall be divided equally among the Parties involved. If, for any dispute or claim to which this paragraph applies, any Party (i) commences an action without first attempting to resolve the matter through mediation, or (ii) before commencement of an action, refuses to mediate after a request has been made, then that Party shall not be entitled to recover attorney fees, even if they would otherwise be available to that Party in any such action. **THIS MEDIATION PROVISION APPLIES WHETHER OR NOT THE ARBITRATION PROVISION IS INITIALED.** Exclusions from this mediation agreement are specified in paragraph 22C.

**B. ARBITRATION OF DISPUTES:**

The Parties agree that any dispute or claim in Law or equity arising between them out of this Agreement or any resulting transaction, which is not settled through mediation, shall be decided by neutral, binding arbitration. The Parties also agree to arbitrate any disputes or claims with Broker(s), who, in writing, agree to such arbitration prior to, or within a reasonable time after, the dispute or claim is presented to the Broker. The arbitrator shall be a retired judge or justice, or an attorney with at least 5 years of residential real estate Law experience, unless the parties mutually agree to a different arbitrator. The Parties shall have the right to discovery in accordance with Code of Civil Procedure §1283.05. In all other respects, the arbitration shall be conducted in accordance with Title 9 of Part 3 of the Code of Civil Procedure. Judgment upon the award of the arbitrator(s) may be entered into any court having jurisdiction. Enforcement of this agreement to arbitrate shall be governed by the Federal Arbitration Act. Exclusions from this arbitration agreement are specified in paragraph 22C.

**"NOTICE: BY INITIALING IN THE SPACE BELOW YOU ARE AGREEING TO HAVE ANY DISPUTE ARISING OUT OF THE MATTERS INCLUDED IN THE 'ARBITRATION OF DISPUTES' PROVISION DECIDED BY NEUTRAL ARBITRATION AS PROVIDED BY CALIFORNIA LAW AND YOU ARE GIVING UP ANY RIGHTS YOU MIGHT POSSESS TO HAVE THE DISPUTE LITIGATED IN A COURT OR JURY TRIAL. BY INITIALING IN THE SPACE BELOW YOU ARE GIVING UP YOUR JUDICIAL RIGHTS TO DISCOVERY AND APPEAL, UNLESS THOSE RIGHTS ARE SPECIFICALLY INCLUDED IN THE 'ARBITRATION OF DISPUTES' PROVISION. IF YOU REFUSE TO SUBMIT TO ARBITRATION AFTER AGREEING TO THIS PROVISION, YOU MAY BE COMPELLED TO ARBITRATE UNDER THE AUTHORITY OF THE CALIFORNIA CODE OF CIVIL PROCEDURE. YOUR AGREEMENT TO THIS ARBITRATION PROVISION IS VOLUNTARY."**

**"WE HAVE READ AND UNDERSTAND THE FOREGOING AND AGREE TO SUBMIT DISPUTES ARISING OUT OF THE MATTERS INCLUDED IN THE 'ARBITRATION OF DISPUTES' PROVISION TO NEUTRAL ARBITRATION."**

Buyer's Initials: SB MW

Seller's Initials: 1

**C. ADDITIONAL MEDIATION AND ARBITRATION TERMS:**

- (1) **EXCLUSIONS:** The following matters are excluded from mediation and arbitration: (i) a judicial or non-judicial foreclosure or other action or proceeding to enforce a deed of trust, mortgage or installment land sale contract as defined in Civil Code §2985; (ii) an unlawful detainer action; and (iii) any matter that is within the jurisdiction of a probate, small claims or bankruptcy court.

Buyer's Initials: SB MW

Seller's Initials: X ( ) ( )

RPA-CA REVISED 12/18 (PAGE 8 OF 10)

CALIFORNIA RESIDENTIAL PURCHASE AGREEMENT (RPA-CA PAGE 8 OF 10)

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555 516 8888 T4

SUBJECT TO COUNTER OFFER



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Property Address: 555 S Indian Trail, PALM SPRINGS, CA 92264

Date: January 11, 2021

- (2) **PRESERVATION OF ACTIONS:** The following shall not constitute a waiver nor violation of the mediation and arbitration provisions: (i) the filing of a court action to preserve a statute of limitations; (ii) the filing of a court action to enable the recording of a notice of pending action, for order of attachment, receivership, injunction, or other provisional remedies; or (iii) the filing of a mechanic's lien.
- (3) **BROKERS:** Brokers shall not be obligated nor compelled to mediate or arbitrate unless they agree to do so in writing. Any Broker(s) participating in mediation or arbitration shall not be deemed a party to this Agreement.
23. **SELECTION OF SERVICE PROVIDERS:** Brokers do not guarantee the performance of any vendors, service or product providers ("Providers"), whether referred by Broker or selected by Buyer, Seller or other person. Buyer and Seller may select ANY Providers of their own choosing.
24. **MULTIPLE LISTING SERVICE ("MLS"):** Brokers are authorized to report to the MLS a pending sale and, upon Close Of Escrow, the sales price and other terms of this transaction shall be provided to the MLS to be published and disseminated to persons and entities authorized to use the information on terms approved by the MLS.
25. **ATTORNEY FEES:** In any action, proceeding, or arbitration between Buyer and Seller arising out of this Agreement, the prevailing Buyer or Seller shall be entitled to reasonable attorney fees and costs from the non-prevailing Buyer or Seller, except as provided in paragraph 22A.
26. **ASSIGNMENT:** Buyer shall not assign all or any part of Buyer's interest in this Agreement without first having obtained the separate written consent of Seller to a specified assignee. Such consent shall not be unreasonably withheld. Any total or partial assignment shall not relieve Buyer of Buyer's obligations pursuant to this Agreement unless otherwise agreed in writing by Seller. (C.A.R. Form AOA).
27. **EQUAL HOUSING OPPORTUNITY:** The Property is sold in compliance with federal, state and local anti-discrimination Laws.
28. **TERMS AND CONDITIONS OF OFFER:** This is an offer to purchase the Property on the above terms and conditions. The liquidated damages paragraph or the arbitration of disputes paragraph is incorporated in this Agreement if initiated by all Parties or if incorporated by mutual agreement in a counter offer or addendum. If at least one but not all Parties initial, a counter offer is required until agreement is reached. Seller has the right to continue to offer the Property for sale and to accept any other offer at any time prior to notification of Acceptance. The Parties have read and acknowledge receipt of a Copy of the offer and agree to the confirmation of agency relationships. If this offer is accepted and Buyer subsequently defaults, Buyer may be responsible for payment of Brokers' compensation. This Agreement and any supplement, addendum or modification, including any Copy, may be Signed in two or more counterparts, all of which shall constitute one and the same writing.
29. **TIME OF ESSENCE; ENTIRE CONTRACT; CHANGES:** Time is of the essence. All understandings between the Parties are incorporated in this Agreement. Its terms are intended by the Parties as a final, complete and exclusive expression of their Agreement with respect to its subject matter, and may not be contradicted by evidence of any prior agreement or contemporaneous oral agreement. If any provision of this Agreement is held to be ineffective or invalid, the remaining provisions will nevertheless be given full force and effect. Except as otherwise specified, this Agreement shall be interpreted and disputes shall be resolved in accordance with the Laws of the State of California. Neither this Agreement nor any provision in it may be extended, amended, modified, altered or changed, except in writing Signed by Buyer and Seller.
30. **DEFINITIONS:** As used in this Agreement:
- A. "Acceptance" means the time the offer or final counter offer is accepted in writing by a Party and is delivered to and personally received by the other Party or that Party's authorized agent in accordance with the terms of this offer or a final counter offer.
  - B. "Agreement" means this document and any counter offers and any incorporated addenda, collectively forming the binding agreement between the Parties. Addenda are incorporated only when Signed by all Parties.
  - C. "C.A.R. Form" means the most current version of the specific form referenced or another comparable form agreed to by the parties.
  - D. "Close Of Escrow", including "COE", means the date the grant deed, or other evidence of transfer of title, is recorded.
  - E. "Copy" means copy by any means including photocopy, NCR, facsimile and electronic.
  - F. "Days" means calendar days. However, after Acceptance, the last Day for performance of any act required by this Agreement (including Close Of Escrow) shall not include any Saturday, Sunday, or legal holiday and shall instead be the next Day.
  - G. "Days After" means the specified number of calendar days after the occurrence of the event specified, not counting the calendar date on which the specified event occurs, and ending at 11:59 PM on the final day.
  - H. "Days Prior" means the specified number of calendar days before the occurrence of the event specified, not counting the calendar date on which the specified event is scheduled to occur.
  - I. "Deliver", "Delivered" or "Delivery", unless otherwise specified in writing, means and shall be effective upon: personal receipt by Buyer or Seller or the individual Real Estate Licensee for that principal as specified in the section titled Real Estate Brokers on page 10, regardless of the method used (i.e., messenger, mail, email, fax, other).
  - J. "Electronic Copy" or "Electronic Signature" means, as applicable, an electronic copy or signature complying with California Law. Buyer and Seller agree that electronic means will not be used by either Party to modify or alter the content or integrity of this Agreement without the knowledge and consent of the other Party.
  - K. "Law" means any law, code, statute, ordinance, regulation, rule or order, which is adopted by a controlling city, county, state or federal legislative, judicial or executive body or agency.
  - L. "Repairs" means any repairs (including pest control), alterations, replacements, modifications or retrofitting of the Property provided for under this Agreement.
  - M. "Signed" means either a handwritten or electronic signature on an original document, Copy or any counterpart.
31. **EXPIRATION OF OFFER:** This offer shall be deemed revoked and the deposit, if any, shall be returned to Buyer unless the offer is Signed by Seller and a Copy of the Signed offer is personally received by Buyer, or by Geoffrey Moore who is authorized to receive it, by 5:00 PM on the third Day after this offer is signed by Buyer (or by ☒ AM ☒ PM, on January 12, 2021 (date)).

☐ One or more Buyers is signing this Agreement in a representative capacity and not for him/herself as an individual. See attached Representative Capacity Signature Declaration (C.A.R. Form RCSD-B) for additional terms.

Date 1/11/2021 BUYER

(Print name) Bryan Burch

Date 1/11/2021 BUYER

(Print name) Mark Wenzel

☐ Additional Signature Addendum attached (C.A.R. Form ASA).

Seller's Initials X( ) ( )

RPA-CA REVISED 12/18 (PAGE 9 OF 10)

CALIFORNIA RESIDENTIAL PURCHASE AGREEMENT (RPA-CA PAGE 9 OF 10)

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Property Address: 555 S Indian Trail, PALM SPRINGS, CA 92264 Date: January 11, 2021

32. ACCEPTANCE OF OFFER: Seller warrants that Seller is the owner of the Property, or has the authority to execute this Agreement. Seller accepts the above offer, and agrees to sell the Property on the above terms and conditions. Seller has read and acknowledges receipt of a Copy of this Agreement, and authorizes Broker to Deliver a Signed Copy to Buyer.

☒ (If checked) SELLER'S ACCEPTANCE IS SUBJECT TO ATTACHED COUNTER OFFER (C.A.R. Form SCO or SMCO) DATED: January 11, 2021

☐ One or more Sellers is signing this Agreement in a representative capacity and not for him/herself as an individual. See attached Representative Capacity Signature Disclosure (C.A.R. Form RCD-S) for additional terms.

Date 1/11/21 SELLER

(Print name) Kyvinh Mack Lynda T. Bui, Chapter 7 Trustee

Date \_\_\_\_\_ SELLER

(Print name) \_\_\_\_\_

SUBJECT TO COUNTER OFFER

☐ Additional Signature Addendum attached (C.A.R. Form ASA).

( ) (Do not initial if making a counter offer.) CONFIRMATION OF ACCEPTANCE: A Copy of Signed Acceptance was personally received by Buyer or Buyer's authorized agent on (date) \_\_\_\_\_ at \_\_\_\_\_ (Initials) \_\_\_\_\_ AM/ PM. A binding Agreement is created when a Copy of Signed Acceptance is personally received by Buyer or Buyer's authorized agent whether or not confirmed in this document. Completion of this confirmation is not legally required in order to create a binding Agreement; it is solely intended to evidence the date that Confirmation of Acceptance has occurred.

#### REAL ESTATE BROKERS:

A. Real Estate Brokers are not parties to the Agreement between Buyer and Seller.  
B. Agency relationships are confirmed as stated in paragraph 2.  
C. If specified in paragraph 3A(2), Agent who submitted the offer for Buyer acknowledges receipt of deposit.  
D. COOPERATING (BUYER'S) BROKER COMPENSATION: Seller's Broker agrees to pay Buyer's Broker and Buyer's Broker agrees to accept, out of Seller's Broker's proceeds in escrow, the amount specified in the MLS, provided Buyer's Broker is a Participant of the MLS in which the Property is offered for sale or a reciprocal MLS. If Seller's Broker and Buyer's Broker are not both Participants of the MLS, or a reciprocal MLS, in which the Property is offered for sale, then compensation must be specified in a separate written agreement (C.A.R. Form CBC). Declaration of License and Tax (C.A.R. Form DLT) may be used to document that tax reporting will be required or that an exemption exists.

E. PRESENTATION OF OFFER: Pursuant to Standard of Practice 1-7, if Buyer's Broker makes a written request, Seller's Broker shall confirm in writing that this offer has been presented to Seller.

Buyer's Brokerage Firm Town Real Estate DRE Lic. # 01878523  
By Geoffrey Moore DRE Lic. # 01942291 Date 1/11/2021  
By \_\_\_\_\_ DRE Lic. # \_\_\_\_\_ Date \_\_\_\_\_  
Address PO Box 5297 City Palm Springs State CA Zip 92263  
Telephone (760)841-5689 Fax (760)406-5685 E-mail geoff@geoffreymore.com  
Seller's Brokerage Firm Lido Pacific Asset Mgmt. DRE Lic. # 00529557  
By Richard Halderman DRE Lic. # 00529557 Date \_\_\_\_\_  
By \_\_\_\_\_ DRE Lic. # \_\_\_\_\_ Date \_\_\_\_\_  
Address 3857 Birch St. Ste.480 City Newport Beach State CA Zip 92660  
Telephone (949)500-8324 Fax \_\_\_\_\_ E-mail lido@pacmgt@aol.com

#### ESCROW HOLDER ACKNOWLEDGMENT:

Escrow Holder acknowledges receipt of a Copy of this Agreement, (If checked, ☐ a deposit in the amount of \$ \_\_\_\_\_, counter offer numbers \_\_\_\_\_, Seller's Statement of Information and \_\_\_\_\_, and agrees to act as Escrow Holder subject to paragraph 20 of this Agreement, any supplemental escrow instructions and the terms of Escrow Holder's general provisions.

Escrow Holder is advised that the date of Confirmation of Acceptance of the Agreement as between Buyer and Seller is \_\_\_\_\_

Escrow Holder \_\_\_\_\_ Escrow # \_\_\_\_\_ (date) \_\_\_\_\_

By \_\_\_\_\_

Address \_\_\_\_\_

Phone/Fax/E-mail \_\_\_\_\_

Escrow Holder has the following license number # \_\_\_\_\_

☐ Department of Financial Protection and Innovation, ☐ Department of Insurance, ☐ Department of Real Estate.

PRESENTATION OF OFFER: ( ) Seller's Broker presented this offer to Seller on \_\_\_\_\_ (date).  
Under or Overwritten Initials \_\_\_\_\_

REJECTION OF OFFER: ( ) No counter offer is being made. This offer was rejected by Seller on \_\_\_\_\_ (date).  
Seller's Initials \_\_\_\_\_

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Buyer Acknowledges that page 10 is part of this Agreement

Buyer's Initials



RPA-CA REVISED 12/18 (PAGE 10 of 10)

CALIFORNIA RESIDENTIAL PURCHASE AGREEMENT (RPA-CA PAGE 10 OF 10)

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555 S Indian Trail



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CALIFORNIA  
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## BUYER'S INSPECTION ADVISORY

(C.A.R. Form BIA, Revised 11/14)

Property Address 555 S Indian Trail, PALM SPRINGS, CA 92264

**1. IMPORTANCE OF PROPERTY INVESTIGATION:** The physical condition of the land and improvements being purchased is not guaranteed by either Seller or Brokers. You have an affirmative duty to exercise reasonable care to protect yourself, including discovery of the legal, practical and technical implications of disclosed facts, and the investigation and verification of information and facts that you know or that are within your diligent attention and observation. A general physical inspection typically does not cover all aspects of the Property nor items affecting the Property that are not physically located on the Property. If the professionals recommend further investigations, including a recommendation by a pest control operator to inspect inaccessible areas of the Property, you should contact qualified experts to conduct such additional investigations.

**2. BROKER OBLIGATIONS:** Brokers do not have expertise in all areas and therefore cannot advise you on many items, such as those listed below. If Broker gives you referrals to professionals, Broker does not guarantee their performance.

**3. YOU ARE STRONGLY ADVISED TO INVESTIGATE THE CONDITION AND SUITABILITY OF ALL ASPECTS OF THE PROPERTY, INCLUDING BUT NOT LIMITED TO THE FOLLOWING. IF YOU DO NOT DO SO, YOU ARE ACTING AGAINST THE ADVICE OF BROKERS.**

- A. GENERAL CONDITION OF THE PROPERTY, ITS SYSTEMS AND COMPONENTS:** Foundation, roof (condition, age, leaks, useful life), plumbing, heating, air conditioning, electrical, mechanical, security, pool/spa (cracks, leaks, operation), other structural and nonstructural systems and components, fixtures, built-in appliances, any personal property included in the sale, and energy efficiency of the Property.
- B. SQUARE FOOTAGE, AGE, BOUNDARIES:** Square footage, room dimensions, lot size, age of improvements and boundaries. Any numerical statements regarding these items are APPROXIMATIONS ONLY and have not been verified by Seller and cannot be verified by Brokers. Fences, hedges, walls, retaining walls and other barriers or markers do not necessarily identify true Property boundaries.
- C. WOOD DESTROYING PESTS:** Presence of, or conditions likely to lead to the presence of wood destroying pests and organisms.
- D. SOIL STABILITY:** Existence of fill or compacted soil, expansive or contracting soil, susceptibility to slippage, settling or movement, and the adequacy of drainage.
- E. WATER AND UTILITIES; WELL SYSTEMS AND COMPONENTS; WASTE DISPOSAL:** Water and utility availability, use restrictions and costs. Water quality, adequacy, condition, and performance of well systems and components. The type, size, adequacy, capacity and condition of sewer and septic systems and components, connection to sewer, and applicable fees.
- F. ENVIRONMENTAL HAZARDS:** Potential environmental hazards, including, but not limited to, asbestos, lead-based paint and other lead contamination, radon, methane, other gases, fuel oil or chemical storage tanks, contaminated soil or water, hazardous waste, waste disposal sites, electromagnetic fields, nuclear sources, and other substances, materials, products, or conditions (including mold (airborne, toxic or otherwise), fungus or similar contaminants).
- G. EARTHQUAKES AND FLOODING:** Susceptibility of the Property to earthquake/seismic hazards and propensity of the Property to flood.
- H. FIRE, HAZARD AND OTHER INSURANCE:** The availability and cost of necessary or desired insurance may vary. The location of the Property in a seismic, flood or fire hazard zone, and other conditions, such as the age of the Property and the claims history of the Property and Buyer, may affect the availability and need for certain types of insurance. Buyer should explore insurance options early as this information may affect other decisions, including the removal of loan and inspection contingencies.
- I. BUILDING PERMITS, ZONING AND GOVERNMENTAL REQUIREMENTS:** Permits, inspections, certificates, zoning, other governmental limitations, restrictions, and requirements affecting the current or future use of the Property, its development or size.
- J. RENTAL PROPERTY RESTRICTIONS:** Some cities and counties impose restrictions that limit the amount of rent that can be charged, the maximum number of occupants, and the right of a landlord to terminate a tenancy. Deadbolt or other locks and security systems for doors and windows, including window bars, should be examined to determine whether they satisfy legal requirements.
- K. SECURITY AND SAFETY:** State and local Law may require the installation of barriers, access alarms, self-latching mechanisms and/or other measures to decrease the risk to children and other persons of existing swimming pools and hot tubs, as well as various fire safety and other measures concerning other features of the Property.
- L. NEIGHBORHOOD, AREA, SUBDIVISION CONDITIONS; PERSONAL FACTORS:** Neighborhood or area conditions, including schools, law enforcement, crime statistics, registered felons or offenders, fire protection, other government services, availability, adequacy and cost of internet connections or other technology services and installations, commercial, industrial or agricultural activities, existing and proposed transportation, construction and development that may affect noise, view, or traffic, airport noise, noise or odor from any source, wild and domestic animals, other nuisances, hazards, or circumstances, protected species, wetland properties, botanical diseases, historic or other governmentally protected sites or improvements, cemeteries, facilities and condition of common areas of common interest subdivisions, and possible lack of compliance with any governing documents or Homeowners' Association requirements, conditions and influences of significance to certain cultures and/or religions, and personal needs, requirements and preferences of Buyer.

By signing below, Buyers acknowledge that they have read, understand, accept and have received a Copy of this Advisory. Buyers are encouraged to read it carefully.

Buyer [Signature]  
Bryan Burrell

1/11/2021

Buyer [Signature]  
Mark Winters

1/11/2021

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BIA REVISED 11/14 (PAGE 1 OF 1)

BUYER'S INSPECTION ADVISORY (BIA PAGE 1 OF 1)

Town Real Estate, P.O. Box 5597, Palm Springs, CA 92263  
Candace Moore

Phone: 760-435-6666 Fax: 760-435-6666  
Produced with iRealTours (iRealTours) 321 Shearson Dr. Cambridge, Ontario, Canada N1T 1J5 www.iRealTours.com

200 S Indian Trail

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**CALIFORNIA CONSUMER PRIVACY ACT ADVISORY**  
(C.A.R. Form CCPA, 12/19)

As of January 1, 2020, the California Consumer Privacy Act (commencing with Civil Code § 1798.100) ("CCPA") grants to California residents certain rights in their private, personal information that is collected by companies with whom they do business. Under the CCPA, "personal information" is defined broadly to encompass non-public records information that could reasonably be linked directly or indirectly to you, including, potentially, photographs of or sales information about your property. Some of your personal information will be collected and likely shared with others during the process of buying and selling real estate. Depending on the situation, you may have the right to "opt out" or stop the transfer of your personal information to others and request that certain businesses delete your personal information altogether. Not all businesses you interact with are required to comply with the law, primarily just those who meet the criteria of a covered "Business" as set forth in Section 1798.140 (c). For more information, you may ask your Broker for a copy of the C.A.R. Legal Q&A on the subject.

A real estate broker is likely to submit personal information to a Multiple Listing Service ("MLS") in order to help find a buyer for a seller's property. Through the MLS, the information is made available to real estate brokers and salespeople, and others. Even after a sale is complete, the MLS distributes sales information to the real estate community. Brokers, agents and MLSs may also share your personal information with others who post the personal information on websites or elsewhere, or otherwise use it. Thus, there are various service providers and companies in a real estate transaction who may be engaged in using or sharing data involving your personal information.


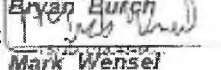
If your broker is a covered Business, it should have a privacy policy explaining your rights on its website and giving you an opportunity to request that personal information not be shared, used and even deleted. Even if your real estate brokerage is a covered Business, it needs, and is allowed, to keep your information to effectuate a sale and, by law, is required to maintain such information for three years to comply with regulatory requirements. Not all brokers are covered Businesses, however, and those that are not, do not have to comply with the CCPA.

Similarly, most MLSs will not be considered a covered Business. Instead, the MLS may be considered a Third Party in the event a covered Business (ex: brokerages, real estate listing aggregation or advertising internet sites or other outlets who meet the criteria of covered Businesses) exchanges personal information with the MLS. You do not have the right under the CCPA to require a Third Party to delete your personal information. And like real estate brokerages, even if an MLS is a covered Business, MLSs are also required by law to retain and make accessible in its computer system any and all listing and other information for three years.

Whether an MLS is a covered Business or a Third Party, you have a right to be notified about the sharing of your personal information and your right to contact a covered Business to opt out of your personal information being used, or shared with Third Parties. Since the MLSs and/or other entities receiving your personal information do not have direct contact with buyers and sellers and also may not be aware of which entities exchanging personal information are covered Businesses, this form is being used to notify you of your rights under the CCPA and your ability to direct requests to covered Businesses not to share personal information with Third Parties. One way to limit access to your personal information, is to inform your broker or salesperson you want to opt-out of the MLS, and if so, you will be asked to sign a document (Form SELM) confirming your request to keep your listing off the MLS. However, if you do so, it may be more difficult to sell your property or obtain the highest price for it because your property will not be exposed to the greatest number of real estate licensees and others.

**I/we acknowledge receipt of a copy of this California Consumer Privacy Act Advisory.**

Buyer/Seller/Landlord/Tenant

  
**Bryan Burgh**  
  
**Mark Wensel**

Date 1/11/2021

Buyer/Seller/Landlord/Tenant

Date 1/11/2021

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SUBJECT TO COUNTER OFFER



CCPA 12/19 (PAGE 1 OF 1)

**CALIFORNIA CONSUMER PRIVACY ACT ADVISORY (CCPA PAGE 1 OF 1)**

Town Real Estate, P.O. Box 5297 Palmdale, CA 93551  
Geoffrey Moore

Phone: 800-415-6889 Fax: 800-415-6889  
Produced with Town Real Estate's Transactura (aPForm Edition) 2.11 Shawmut Ct., Cambridge, Ontario, Canada N1T 1J5 www.townreal.com

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## DISCLOSURE REGARDING REAL ESTATE AGENCY RELATIONSHIP

(Buyer's Brokerage Firm to Buyer)  
(As required by the Civil Code)  
(C.A.R. Form AD, Revised 12/18)

☐ (If checked) This form is being provided in connection with a transaction for a leasehold interest exceeding one year as per Civil Code section 2079.13(j), (k) and (l).

When you enter into a discussion with a real estate agent regarding a real estate transaction, you should from the outset understand what type of agency relationship or representation you wish to have with the agent in the transaction.

### SELLER'S AGENT

A Seller's agent under a listing agreement with the Seller acts as the agent for the Seller only. A Seller's agent or a subagent of that agent has the following affirmative obligations.

To the Seller: A fiduciary duty of utmost care, integrity, honesty and loyalty in dealings with the Seller.

To the Buyer and the Seller:

- (a) Diligent exercise of reasonable skill and care in performance of the agent's duties.
- (b) A duty of honest and fair dealing and good faith.
- (c) A duty to disclose all facts known to the agent materially affecting the value or desirability of the property that are not known to, or within the diligent attention and observation of, the parties. An agent is not obligated to reveal to either party any confidential information obtained from the other party that does not involve the affirmative duties set forth above.

### BUYER'S AGENT

A Buyer's agent can, with a Buyer's consent, agree to act as agent for the Buyer only. In these situations, the agent is not the Seller's agent, even if by agreement the agent may receive compensation for services rendered, either in full or in part from the Seller. An agent acting only for a Buyer has the following affirmative obligations.

To the Buyer: A fiduciary duty of utmost care, integrity, honesty and loyalty in dealings with the Buyer.

To the Buyer and the Seller:

- (a) Diligent exercise of reasonable skill and care in performance of the agent's duties.
- (b) A duty of honest and fair dealing and good faith.
- (c) A duty to disclose all facts known to the agent materially affecting the value or desirability of the property that are not known to, or within the diligent attention and observation of, the parties. An agent is not obligated to reveal to either party any confidential information obtained from the other party that does not involve the affirmative duties set forth above.

### AGENT REPRESENTING BOTH SELLER AND BUYER

A real estate agent, either acting directly or through one or more salespersons and broker associates, can legally be the agent of both the Seller and the Buyer in a transaction, but only with the knowledge and consent of both the Seller and the Buyer.

In a dual agency situation, the agent has the following affirmative obligations to both the Seller and the Buyer:

- (a) A fiduciary duty of utmost care, integrity, honesty and loyalty in the dealings with either the Seller or the Buyer.
- (b) Other duties to the Seller and the Buyer as stated above in their respective sections.

In representing both Seller and Buyer, a dual agent may not, without the express permission of the respective party, disclose to the other party confidential information, including, but not limited to, facts relating to either the Buyer's or Seller's financial position, motivations, bargaining position, or other personal information that may impact price, including the Seller's willingness to accept a price less than the listing price or the Buyer's willingness to pay a price greater than the price offered.

### SELLER AND BUYER RESPONSIBILITIES

Either the purchase agreement or a separate document will contain a confirmation of which agent is representing you and whether that agent is representing you exclusively in the transaction or acting as dual agent. Please pay attention to that confirmation to make sure it accurately reflects your understanding of your agent's role.

The above duties of the agent in a real estate transaction do not relieve a Seller or Buyer from the responsibility to protect his or her own interests. You should carefully read all agreements to assure that they adequately express your understanding of the transaction. A real estate agent is a person qualified to advise about real estate. If legal or tax advice is desired, consult a competent professional.

If you are a Buyer, you have the duty to exercise reasonable care to protect yourself, including as to those facts about the property which are known to you or within your diligent attention and observation.

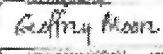
Both Sellers and Buyers should strongly consider obtaining tax advice from a competent professional because the federal and state tax consequences of a transaction can be complex and subject to change.

Throughout your real property transaction you may receive more than one disclosure form, depending upon the number of agents assisting in the transaction. The law requires each agent with whom you have more than a casual relationship to present you with this disclosure form. You should read its contents each time it is presented to you, considering the relationship between you and the real estate agent in your specific transaction. This disclosure form includes the provisions of Sections 2079.13 to 2079.24, inclusive, of the Civil Code set forth on page 2. Read it carefully. I/WE ACKNOWLEDGE RECEIPT OF A COPY OF THIS DISCLOSURE AND THE PORTIONS OF THE CIVIL CODE PRINTED ON THE BACK (OR A SEPARATE PAGE).

☒ Buyer ☐ Seller ☐ Landlord ☐ Tenant  Date 1/11/2021

☒ Buyer ☐ Seller ☐ Landlord ☐ Tenant  Date 1/11/2021

Agent  Town Real Estate DRE Lic. # 01878523

By  Real Estate Broker (Firm) DRE Lic. # 01942291 Date 1/11/2021

(Salesperson or Broker-Associate, if any) Geoffrey Moore

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AD REVISED 12/18 (PAGE 1 OF 2)

DISCLOSURE REGARDING REAL ESTATE AGENCY RELATIONSHIP (AD PAGE 1 OF 2)

Town Real Estate, P.O. Box 5297 Palm Springs, CA 92262

Geoffrey Moore

Phone: 760-415-6689 Fax: 760-415-6689  
Produced with iHomeWise Transactions (iPatty Edition) 201 Shannon Co. Cambridge, Ontario, Canada N1T 1J6 www.ihome.com

555 S. Indian Trail



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**CIVIL CODE SECTIONS 2079.13 – 2079.24 (2079.16 APPEARS ON THE FRONT)**

2079.13. As used in Sections 2079.17 and 2079.14 to 2079.24, inclusive, the following terms have the following meanings:

(a) "Agent" means a person acting under provisions of Title 9 (commencing with Section 2285) in a real property transaction, and includes a person who is licensed as a real estate broker under Chapter 3 (commencing with Section 10130) of Part 1 of Division 4 of the Business and Professions Code, and under whose license a listing is executed or an offer to purchase is obtained. This agent in the real property transaction bears responsibility for that agent's salesperson or broker associate who performs as agents of the agent. When a salesperson or broker associate owes a duty to any principal, or to any buyer or seller who is not a principal, in a real property transaction, that duty is equivalent to the duty owed to that party by the broker for whom the salesperson or broker associate functions.

(b) "Buyer" means a transferee in a real property transaction, and includes a person who executes an offer to purchase real property from a seller through an agent, or who seeks the services of an agent in more than a casual, transitory, or preliminary manner, with the object of entering into a real property transaction. "Buyer" includes vendor or lessee of real property.

(c) "Commercial real property" means all real property in the state, except (1) single-family residential real property, (2) dwelling units made subject to Chapter 2 (commencing with Section 1940) of Title 5, (3) a mobilehome, as defined in Section 199.3, (4) vacant land, or (5) a recreational vehicle, as defined in Section 788.29.

(d) "Dual agent" means an agent acting, either directly or through a salesperson or broker associate, as agent for both the seller and the buyer in a real property transaction.

(e) "Listing agreement" means a written contract between a seller of real property and an agent, by which the agent has been authorized to sell the real property or to find or obtain a buyer, including rendering other services for which a real estate license is required to the seller pursuant to the terms of the agreement.

(f) "Seller's agent" means a person who has obtained a listing of real property to act as an agent for the seller.

(g) "Listing price" is the amount expressed in dollars specified in the listing for which the seller is willing to sell the real property through the seller's agent.

(h) "Offering price" is the amount expressed in dollars specified in an offer to purchase for which the buyer is willing to buy the real property.

(i) "Offer to purchase" means a written contract executed by a buyer acting through a buyer's agent that becomes the contract for the sale of the real property upon acceptance by the seller.

(j) "Real property" means any estate specified by subdivision (1) or (2) of Section 761 in property, and includes (1) single-family residential property, (2) multifamily residential property with more than four dwelling units, (3) commercial real property, (4) vacant land, (5) a ground lease coupled with improvements, or (6) a manufactured home as defined in Section 18007 of the Health and Safety Code, or a mobilehome as defined in Section 18008 of the Health and Safety Code, when offered for sale or sold through an agent pursuant to the authority contained in Section 10131.6 of the Business and Professions Code.

(k) "Real property transaction" means a transaction for the sale of real property in which an agent is retained by a buyer, seller, or both a buyer and seller to act in that transaction, and includes a listing or an offer to purchase.

(l) "Sell," "sale," or "sold" refers to a transaction for the transfer of real property from the seller to the buyer and includes exchanges of real property between the seller and buyer, transactions for the creation of a real property sales contract within the meaning of Section 2885, and transactions for the creation of a leasehold exceeding one year's duration.

(m) "Seller" means the transferor in a real property transaction and includes an owner who lists real property with an agent, whether or not a transfer results, or who receives an offer to purchase real property of which he or she is the owner from an agent on behalf of another.

"Seller" includes both a vendor and a lessor of real property.

(n) "Buyer's agent" means an agent who represents a buyer in a real property transaction.

2079.14. A seller's agent and buyer's agent shall provide this seller and buyer in a real property transaction with a copy of the disclosure form specified in Section 2079.18, and shall obtain a signed acknowledgment of receipt from that seller and buyer, except as provided in Section 2079.15, as follows:

(a) The seller's agent, if any, shall provide the disclosure form to the seller prior to entering into the listing agreement.

(b) The buyer's agent shall provide the disclosure form to the buyer as soon as practicable prior to execution of the buyer's offer to purchase. If the offer to purchase is not prepared by the buyer's agent, the buyer's agent shall present the disclosure form to the buyer not later than the next business day after receiving the offer to purchase from the buyer.

2079.15. In any circumstance in which the seller or buyer refuses to sign an acknowledgment of receipt pursuant to Section 2079.14, the agent shall set forth, sign, and date a written declaration of the facts of the refusal.

2079.16. Reproduced on Page 1 of this AD form.

2079.17(a) As soon as practicable, the buyer's agent shall disclose to the buyer and seller whether the agent is acting in the real property transaction as the buyer's agent, or as a dual agent representing both the buyer and the seller. This relationship shall be confirmed in the contract to purchase and sell real property or in a separate writing executed or acknowledged by the seller, the buyer, and the buyer's agent prior to or coincident with execution of that contract by the buyer and the seller, respectively.

(b) As soon as practicable, the seller's agent shall disclose to the seller whether the seller's agent is acting in the real property transaction as the seller's agent, or as a dual agent representing both the buyer and seller. This relationship shall be confirmed in the contract to purchase and sell real property or in a separate writing executed or acknowledged by the seller and the seller's agent prior to or coincident with the execution of that contract by the seller.

**CONFIRMATION.** The following agency relationships are confirmed for this transaction.

Seller's Brokerage Firm	<u>DO NOT COMPLETE. SAMPLE ONLY</u>	License Number	_____
Is the broker of (check one):	<input type="checkbox"/> the seller, or <input type="checkbox"/> both the buyer and seller. (dual agent)	License Number	_____
Seller's Agent	<u>DO NOT COMPLETE. SAMPLE ONLY</u>	License Number	_____
Is (check one):	<input type="checkbox"/> the Seller's Agent. (salesperson or broker associate) <input type="checkbox"/> both the Buyer's and Seller's Agent. (dual agent)	License Number	_____
Buyer's Brokerage Firm	<u>DO NOT COMPLETE. SAMPLE ONLY</u>	License Number	_____
Is the broker of (check one):	<input type="checkbox"/> the buyer, or <input type="checkbox"/> both the buyer and seller. (dual agent)	License Number	_____
Buyer's Agent	<u>DO NOT COMPLETE. SAMPLE ONLY</u>	License Number	_____
Is (check one):	<input type="checkbox"/> the Buyer's Agent. (salesperson or broker associate) <input type="checkbox"/> both the Buyer's and Seller's Agent. (dual agent)	License Number	_____

(d) The disclosures and confirmation required by this section shall be in addition to the disclosure required by Section 2079.14. An agent's duty to provide disclosure and confirmation of representation in this section may be performed by a real estate salesperson or broker associate affiliated with that broker.

2079.18 (Repealed pursuant to AB-1288)

2079.19 The payment of compensation or the obligation to pay compensation to an agent by the seller or buyer is not necessarily determinative of a particular agency relationship between an agent and the seller or buyer. A listing agent and a selling agent may agree to share any compensation or commission paid, or any right to any compensation or commission for which an obligation arises as the result of a real estate transaction, and the terms of any such agreement shall not necessarily be determinative of a particular relationship.

2079.20 Nothing in this article prevents an agent from selecting, as a condition of the agent's employment, a specific form of agency relationship not specifically prohibited by this article if the requirements of Section 2079.14 and Section 2079.17 are complied with.

2079.21 (a) A dual agent may not, without the express permission of the seller, disclose to the buyer any confidential information obtained from the seller. (b) A dual agent may not, without the express permission of the buyer, disclose to the seller any confidential information obtained from the buyer. (c) "Confidential information" means facts relating to the client's financial position, motivations, bargaining position, or other personal information that may impact price, such as the seller is willing to accept a price less than the listing price or the buyer is willing to pay a price greater than the price offered. (d) This section does not alter in any way the duty or responsibility of a dual agent to any principal with respect to confidential information other than price.

2079.22 Nothing in this article precludes a seller's agent from also being a buyer's agent. If a seller or buyer in a transaction chooses to not be represented by an agent, that does not, of itself, make that agent a dual agent.

2079.23 A contract between the principal and agent may be modified or altered to change the agency relationship at any time before the performance of the act which is the object of the agency with the written consent of the parties to the agency relationship.

2079.24 Nothing in this article shall be construed to either diminish the duty of disclosure owed buyers and sellers by agents and their associate licensees, subagents, and employees or to relieve agents and their associate licensees, subagents, and employees from liability for their conduct in connection with acts governed by this article or for any breach of a fiduciary duty or a duty of disclosure.

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AD REVISED 12/18 (PAGE 2 OF 2)  
**DISCLOSURE REGARDING REAL ESTATE AGENCY RELATIONSHIP (AD PAGE 2 OF 2)**

Produced with Love: Wall Transactions (print on 60lb) 251 Riverston Dr., Cambridge, Ontario, Canada N1T 1J8 www.wall.com 888.5.1wall.Tel

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## FAIR HOUSING & DISCRIMINATION ADVISORY

[C.A.R. Form FHDA, 10/20]

1. **EQUAL ACCESS TO HOUSING FOR ALL:** All housing in California is available to all persons. Discrimination as noted below is prohibited by law. Resources are available for those who have experienced unequal treatment under the law.
2. **FEDERAL AND STATE LAWS PROHIBIT DISCRIMINATION AGAINST IDENTIFIED PROTECTED CLASSES:**
  - A. **FEDERAL FAIR HOUSING ACT ("FHA")** Title VIII of the Civil Rights Act; 42 U.S.C. §§ 3601-3619; Prohibits discrimination in sales, rental or financing of residential housing against persons in protected classes.
  - B. **CALIFORNIA FAIR EMPLOYMENT AND HOUSING ACT ("FEHA")** California Government Code ("GC") §§12900-12996, 12955; 2 California Code of Regulations ("CCR") §§12005-12271; Prohibits discrimination in sales, rental or financing of housing opportunity against persons in protected classes by providers of housing accommodation and financial assistance services as related to housing.
  - C. **CALIFORNIA UNRUH CIVIL RIGHTS ACT ("Unruh")** California Civil Code ("CC") §51; Prohibits business establishments from discriminating against, and requires full and equal accommodation, advantages, facilities, privileges, and services to persons in protected classes.
  - D. **AMERICANS WITH DISABILITIES ACT ("ADA")** 42 U.S.C. §§12181-12189; Title III of the ADA prohibits discrimination based on disability in public accommodations; and
  - E. **OTHER FAIR HOUSING LAWS:** Section 504 of Rehabilitation Act of 1973 29 U.S.C. §794; Ralph Civil Rights Act CC §51.7.; California Disabled Persons Act, CC §§54-55.32; any local city or county fair housing ordinances, as applicable.
3. **POTENTIAL LEGAL REMEDIES FOR UNLAWFUL DISCRIMINATION:** Violations of fair housing laws may result in monetary civil fines, injunctive relief, compensatory and/or punitive damages, and attorney fees and costs.
4. **PROTECTED CLASSES/CHARACTERISTICS:** Whether specified in Federal or State law or both, discrimination against persons if based on that person's belonging to, association with, or perceived membership to, any of the following classes or categories is prohibited.

Race	Color	Ancestry	National Origin	Religion
Sex	Sexual Orientation	Gender	Gender Identity	Gender Expression
Marital Status	Familial Status (family with a child or children under 18)	Source of Income (e.g., Section 8 Voucher)	Disability (Mental & Physical)	Medical Condition
Citizenship	Primary Language	Immigration Status	Military/Veteran Status	Age
Criminal History (non-relevant convictions)			Any arbitrary characteristic	

5. **THE CALIFORNIA DEPARTMENT OF REAL ESTATE REQUIRES TRAINING AND SUPERVISION TO PREVENT HOUSING DISCRIMINATION BY REAL ESTATE LICENSEES:**
  - A. California Business & Professions Code ("B&PC") §10170.5(a)(4) requires 3 hours of training on fair housing for DRE license renewal; Real Estate Regulation §2725(f) requires brokers who oversee salespersons to be familiar with the requirements of federal and state laws relating to the prohibition of discrimination.
  - B. Violation of DRE regulations or real estate laws against housing discrimination by a real estate licensee may result in the loss or suspension of the licensee's real estate license. B&PC §10177(l)(1); 10 CCR §2780
6. **REALTOR® ORGANIZATIONS PROHIBIT DISCRIMINATION:** NAR Code of Ethics Article 10 prohibits discrimination in employment practices or in rendering real estate license services against any person because of race, color, religion, sex, handicap, familial status, national origin, sexual orientation, or gender identity by REALTORS®.
7. **WHO IS REQUIRED TO COMPLY WITH FAIR HOUSING LAWS?**

Below is a non-exclusive list of providers of housing accommodations or financial assistance services as related to housing who are most likely to be encountered in a housing transaction and who must comply with fair housing laws.

  - Sellers
  - Real estate licensees
  - Mobilehome parks
  - Insurance companies
  - Landlords
  - Real estate brokerage firms
  - Homeowners Associations ("HOAs")
  - Government housing services
  - Sublessors
  - Property managers
  - Banks and Mortgage lenders
8. **EXAMPLES OF CONDUCT THAT MAY NOT BE MOTIVATED BY DISCRIMINATORY INTENT BUT COULD HAVE A DISCRIMINATORY EFFECT:**
  - A. Prior to acceptance of an offer, asking for or offering buyer personal information or letters from the buyer, especially with photos. Those types of documents may inadvertently reveal, or be perceived as revealing, protected status information thereby increasing the risk of (i) actual or unconscious bias, and (ii) potential legal claims against sellers and others by prospective buyers whose offers were rejected.
  - B. Refusing to rent (i) an upper level unit to an elderly tenant out of concern for the tenant's ability to navigate stairs or (ii) a house with a pool to a person with young children out of concern for the children's safety.
9. **EXAMPLES OF UNLAWFUL OR IMPROPER CONDUCT BASED ON A PROTECTED CLASS OR CHARACTERISTIC:**
  - A. Refusing to negotiate for a sale, rental or financing or otherwise make a housing opportunity unavailable; failing to present offers due to a person's protected status;
  - B. Refusing or failing to show, rent, sell or finance housing, "channeling" or "steering" a prospective buyer or tenant to or away from a particular area due to that person's protected status or because of the racial, religious or ethnic composition of the neighborhood;
  - C. "Blockbusting" or causing "panic selling" by inducing a listing, sale or rental based on the grounds of loss of value of property, increase in crime, or decline in school quality due to the entry or prospective entry of people in protected categories into the neighborhood;
  - D. Making any statement or advertisement that indicates any preference, limitation, or discrimination;

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FHDA 10/20 (PAGE 1 OF 2)

### FAIR HOUSING & DISCRIMINATION ADVISORY (FHDA PAGE 1 OF 2)

Twain Real Estate, P.O. Box 5297, Palm Springs, CA 92263  
Cynthia Moore

Printed with Love With Translations (20) Form FHDA (10/20) 231 Shearman Co., Cambridge, Ontario, Canada N1H 1J6 www.junf.com



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- E. Inquiring about protected characteristics (such as asking tenant applicants if they are married, or prospective purchasers if they have children or are planning to start a family);
- F. Using criminal history information before otherwise affirming eligibility, and without a legally sufficient justification;
- G. Failing to assess financial standards based on the portion of the income responsible by a tenant who receives government subsidies (such as basing an otherwise neutral rent to income ratio on the whole rent rather than just the part of rent that is the tenant's responsibility);
- H. Denying a home loan or homeowner's insurance;
- I. Offering inferior terms, conditions, privileges, facilities or services;
- J. Using different qualification criteria or procedures for sale or rental of housing such as income standards, application requirements, application fees, credit analyses, sale or rental approval procedures or other requirements;
- K. Harassing a person;
- L. Taking an adverse action based on protected characteristics;
- M. Refusing to permit a reasonable modification to the premises, as requested by a person with a disability (such as refusing to allow a wheel chair bound tenant to install, at their expense, a ramp over front or rear steps, or refusing to allow a physically disabled tenant from installing, at their own expense, grab bars in a shower or bathtub);
- N. Refusing to make reasonable accommodation in policies, rules, practices, or services for a person with a disability (such as the following, if an actual or prospective tenant with a disability has a service animal or support animal):
- (i) Failing to allow that person to keep the service animal or emotional support animal in rental property;
  - (ii) Charging that person higher rent or increased security deposit; or
  - (iii) Failing to show rental or sale property to that person who is accompanied by the service animal or support animal; and;
- O. Retaliating for asserting rights under fair housing laws.
- 10. EXAMPLES OF POSITIVE PRACTICES:**
- A. Real estate licensees working with buyers or tenants should apply the same objective property selection criteria, such as location/neighborhood, property features, and price range and other considerations, to all prospects.
  - B. Real estate licensees should provide complete and objective information to all clients based on the client's selection criteria.
  - C. Real estate licensees should provide the same professional courtesy in responding to inquiries, sharing of information and offers of assistance to all clients and prospects.
  - D. Housing providers should not make any statement or advertisement that directly or indirectly implies preference, limitation, or discrimination regarding any protected characteristic (such as "no children" or "English-speakers only").
  - E. Housing providers should use a selection process relying on objective information about a prospective buyer's offer or tenant's application and not seek any information that may disclose any protected characteristics (such as using a summary document, e.g. C.A.R. Form SUM-MO, to compare multiple offers on objective terms).
- 11. FAIR HOUSING RESOURCES:** If you have questions about your obligations or rights under the Fair Housing laws, or you think you have been discriminated against, you may want to contact one or more of the sources listed below to discuss what you can do about it, and whether the resource is able to assist you.
- A. Federal: [https://www.hud.gov/program\\_offices/fair\\_housing\\_equal\\_opp](https://www.hud.gov/program_offices/fair_housing_equal_opp)
  - B. State: <https://www.dfeh.ca.gov/housing/>
  - C. Local: local Fair Housing Council office (non-profit, free service)
  - D. DRE: <https://www.dre.ca.gov/Consumers/FileComplaint.html>
  - E. Local Association of REALTORS®: List available at: <https://www.car.org/en/contactus/rosters/localassociationroster>.
  - F. Any qualified California fair housing attorney, or if applicable, landlord-tenant attorney.
- 12. LIMITED EXCEPTIONS TO FAIR HOUSING REQUIREMENTS:** No person should rely on any exception below without first seeking legal advice about whether the exception applies to their situation. Real estate licensees are not qualified to provide advice on the application of these exceptions.
- A. Legally compliant senior housing is exempt from FHA, FEHA and Unruh as related to age or familial status only;
  - B. An owner of a single-family residence who resides at the property with one lodger may be exempt from FEHA for rental purposes, PROVIDED no real estate licensee is involved in the rental;
  - C. An owner of a single-family residence may be exempt from FHA for sale or rental purposes, PROVIDED (i) no real estate licensee is involved in the sale or rental and (ii) no discriminatory advertising is used, and (iii) the owner owns no more than three single-family residences. Other restrictions apply;
  - D. An owner of residential property with one to four units who resides at the property, may be exempt from FHA for rental purposes, PROVIDED no real estate licensee is involved in the rental; and
  - E. Both FHA and FEHA do not apply to roommate situations. See, *Fair Housing Council v Roommate.com LLC*, 666 F.3d 1216 (2019).
  - F. Since both the 14th Amendment of the U.S. Constitution and the Civil Rights Act of 1866 prohibit discrimination based on race, the FHA and FEHA exemptions do not extend to discrimination based on race.

Buyer/Tenant and Seller/Landlord have read, understand and acknowledge receipt of a copy of this Fair Housing & Discrimination Advisory.

Buyer/Tenant [Signature] Bryan Burch Date 1/11/2021  
Buyer/Tenant [Signature] Mark Wense Date 1/11/2021  
Seller/Landlord [Signature] Kevin Nori Date \_\_\_\_\_  
Seller/Landlord \_\_\_\_\_ Date \_\_\_\_\_

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FHDA 10/20 (PAGE 2 OF 2)

FAIR HOUSING & DISCRIMINATION ADVISORY (FHDA PAGE 2 OF 2)

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**POSSIBLE REPRESENTATION OF MORE THAN ONE BUYER  
OR SELLER - DISCLOSURE AND CONSENT**

(C.A.R. Form PRBS, Revised 12/18)

A real estate broker (Broker), whether a corporation, partnership or sole proprietorship, may represent more than one buyer or seller. This multiple representation can occur through an individual licensed as a broker or salesperson or through different individual broker's or salespersons (associate licensees) acting under the Broker's license. The associate licensees may be working out of the same or different office locations.

**Multiple Buyers:** Broker (individually or through its associate licensees) may be working with many prospective buyers at the same time. These prospective buyers may have an interest in, and make offers on, the same properties. Some of these properties may be listed with Broker and some may not. Broker will not limit or restrict any particular buyer from making an offer on any particular property whether or not Broker represents other buyers interested in the same property.

**Multiple Sellers:** Broker (individually or through its associate licensees) may have listings on many properties at the same time. As a result, Broker will attempt to find buyers for each of those listed properties. Some listed properties may appeal to the same prospective buyers. Some properties may attract more prospective buyers than others. Some of these prospective buyers may be represented by Broker and some may not. Broker will market all listed properties to all prospective buyers whether or not Broker has another or other listed properties that may appeal to the same prospective buyers.

**Dual Agency:** If Seller is represented by Broker, Seller acknowledges that broker may represent prospective buyers of Seller's property and consents to Broker acting as a dual agent for both seller and buyer in that transaction. If Buyer is represented by Broker, buyer acknowledges that Broker may represent sellers of property that Buyer is interested in acquiring and consents to Broker acting as a dual agent for both buyer and seller with regard to that property.

In the event of dual agency, seller and buyer agree that: a dual agent may not, without the express permission of the respective party, disclose to the other party confidential information, including, but not limited to, facts relating to either the buyer's or seller's financial position, motivations, bargaining position, or other personal information that may impact price, including the seller's willingness to accept a price less than the listing price or the buyer's willingness to pay a price greater than the price offered; and except as set forth above, a dual agent is obligated to disclose known facts materially affecting the value or desirability of the Property to both parties.

**Offers not necessarily confidential:** Buyer is advised that seller or listing agent may disclose the existence, terms, or conditions of buyer's offer unless all parties and their agent have signed a written confidentiality agreement. Whether any such information is actually disclosed depends on many factors, such as current market conditions, the prevailing practice in the real estate community, the listing agent's marketing strategy and the instructions of the seller.

Buyer and seller understand that Broker may represent more than one buyer or more than one seller and even both buyer and seller on the same transaction and consents to such relationships.

**Seller and/or Buyer acknowledges reading and understanding this Possible Representation of More Than One Buyer or Seller - Disclosure and Consent and agrees to the agency possibilities disclosed.**

Seller	Kevin Neri	Date	
Seller		Date	
Buyer	Bryan Burch	Date	1/11/2021
Buyer	Mark Wense	Date	1/11/2021
Buyer's Brokerage Firm	Town Real Estate	DRE Lic #	01878523 Date 1/11/2021
By	Geoffrey Moore	DRE Lic #	01942291 Date 1/11/2021
Seller's Brokerage Firm	Lido Pacific Asset Mgmt.	DRE Lic #	00529557 Date
By	Richard Halderman	DRE Lic #	00529557 Date

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PRBS REVISED 12/18 (PAGE 1 OF 1)



**POSSIBLE REPRESENTATION OF MORE THAN ONE BUYER OR SELLER (PRBS PAGE 1 OF 1)**

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**WIRE FRAUD AND ELECTRONIC FUNDS  
TRANSFER ADVISORY**  
(C.A.R. Form WFA, Revised 12/17)

Property Address: 555 S Indian Trail, PALM SPRINGS, CA 92264 ("Property").

**WIRE FRAUD AND ELECTRONIC FUNDS TRANSFERS ADVISORY:**

The ability to communicate and conduct business electronically is a convenience and reality in nearly all parts of our lives. At the same time, it has provided hackers and scammers new opportunities for their criminal activity. Many businesses have been victimized and the real estate business is no exception.

While wiring or electronically transferring funds is a welcome convenience, we all need to exercise extreme caution. Emails attempting to induce fraudulent wire transfers have been received and have appeared to be legitimate. Reports indicate that some hackers have been able to intercept emailed transfer instructions, obtain account information and, by altering some of the data, redirect the funds to a different account. It also appears that some hackers were able to provide false phone numbers for verifying the wiring or funds transfer instructions. In those cases, the victim called the number provided to confirm the instructions, and then unwittingly authorized a transfer to somewhere or someone other than the intended recipient.

**ACCORDINGLY, YOU ARE ADVISED:**

1. Obtain phone numbers and account numbers only from Escrow Officers, Property Managers, or Landlords at the beginning of the transaction.
2. DO NOT EVER WIRE OR ELECTRONICALLY TRANSFER FUNDS PRIOR TO CALLING TO CONFIRM THE TRANSFER INSTRUCTIONS. ONLY USE A PHONE NUMBER YOU WERE PROVIDED PREVIOUSLY. Do not use any different phone number or account number included in any emailed transfer instructions.
3. Orally confirm the transfer instruction is legitimate and confirm the bank routing number, account numbers and other codes before taking steps to transfer the funds.
4. Avoid sending personal information in emails or texts. Provide such information in person or over the telephone directly to the Escrow Officer, Property Manager, or Landlord.
5. Take steps to secure the system you are using with your email account. These steps include creating strong passwords, using secure WiFi, and not using free services.



If you believe you have received questionable or suspicious wire or funds transfer instructions, immediately notify your bank, and the other party, and the Escrow Office, Landlord, or Property Manager. The sources below, as well as others, can also provide information:

Federal Bureau of Investigation: <https://www.fbi.gov/>; the FBI's IC3 at [www.ic3.gov](http://www.ic3.gov); or 310-477-6565

National White Collar Crime Center: <http://www.nw3c.org/>

On Guard Online: <https://www.onguardonline.gov/>

**NOTE:** There are existing alternatives to electronic and wired fund transfers such as cashier's checks. By signing below, the undersigned acknowledge that each has read, understands and has received a copy of this Wire Fraud and Electronic Funds Transfer Advisory.

Buyer/Tenant X		<u>Bryan Burch</u>	Date <u>1/11/2021</u>
Buyer/Tenant X		<u>Mark Wense</u>	Date <u>1/11/2021</u>
Seller/Landlord X		<u>Kevin Neri</u>	Date _____
Seller/Landlord			Date _____

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595 South Virgil Avenue, Los Angeles, California 90020

WFA REVISED 12/17 (PAGE 1 OF 1)

**WIRE FRAUD AND ELECTRONIC FUNDS TRANSFER ADVISORY (WFA PAGE 1 OF 1)**

Jones Real Estate, P.O. Box 5397, Palm Springs, CA 92303  
Geoffrey Moore

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OF REALTORS®

**MARKET CONDITIONS ADVISORY**  
(C.A.R. Form MCA, Revised 11/11)

**1. MARKET CONDITIONS:** Real estate markets are cyclical and can change over time. It is impossible to predict future market conditions with accuracy. In a competitive or "hot" real estate market, there are generally more Buyers than Sellers. This will often lead to multiple buyers competing for the same property. As a result, in order to make their offers more attractive, some Buyers may offer more than originally planned or eliminate certain contingencies in their offers. In a less competitive or "cool" market there are generally more Sellers than Buyers, often causing real estate prices to level off or drop, sometimes precipitously. The sales price of homes being sold as foreclosures and short sales is difficult to anticipate and can affect the value of other homes in the area. Brokers, appraisers, Sellers and Buyers take these "distressed" property sales and listings into consideration when valuing property. In light of the real estate market's cyclical nature it is important that Buyers understand the potential for little or no appreciation in value, or an actual loss in value, of the property they purchase. This Advisory discusses some of the potential risks inherent in changing market conditions.

**2. BUYER CONSIDERATIONS:**

**A. OFFERING PRICE:** AS A BUYER, YOU ARE RESPONSIBLE FOR DETERMINING THE PRICE YOU WANT TO OFFER FOR A PROPERTY. Although Brokers may provide you with comparable sales data, generally from information published in the local multiple listing service, you should know that the reporting of this data is often delayed and prices may change, up or down, faster than reported sales indicate. All buyers should be sure they are comfortable with the price they are offering or the price they are accepting in a counter offer. You should be aware of and think about the following: (i) If your offer is accepted, the property's value may not increase and may even decrease. (ii) If your offer is accepted, you may have "Buyer's remorse" that you paid too much. (iii) If your offer is rejected there can be no guarantee that you will find a similar property at the same price. (iv) If your offer is rejected, you may not be satisfied that the amount you offered was right for you. Only you can determine that your offer was reasonable and prudent in light of the property and your circumstances.

**B. NON-CONTINGENT OFFERS:** Most residential purchase agreements contain contingencies allowing a Buyer within a specified period of time to cancel a purchase if: (i) the Buyer cannot obtain a loan; (ii) is dissatisfied with the property's condition after an inspection; or (iii) if the property does not appraise at a certain value. To make their offers more attractive, Buyers will sometimes write offers with few or no contingencies or offer to remove contingencies within a short period of time. In a "hot" market, sellers will sometimes insist that Buyers write offers with no contingencies. Broker recommends that Buyers do not write non-contingent offers and if you do so, you are acting against Broker's advice. However, if you do write a non-contingent offer these are some of the contractual rights you may be giving up:

(1) **LOAN CONTINGENCY:** If you give up your loan contingency, and you cannot obtain a loan, whether through your fault or the fault of your lender, and as a result, you do not or cannot purchase the property, you may legally be in default under the contract and required to pay damages or forfeit your deposit to the seller.

(2) **APPRAISAL CONTINGENCY:** If your lender's (or your own) appraiser does not believe the property is worth what you have agreed to pay for it, your lender may not loan the full amount needed for the purchase or may not loan any amount at all because of a low appraisal. As a result, if you do not purchase the property, and you have removed your appraisal contingency, you may legally be in default under the contract and could be required to pay damages to, or forfeit your deposit to, the Seller. The Seller is not obligated to reduce the purchase price to match the appraised value.

Buyer's Initials ( X JB ) ( X ME )

Seller's Initials ( X \_\_\_\_\_ ) ( \_\_\_\_\_ )

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MCA REVISED 11/11 (PAGE 1 OF 2)

MARKET CONDITIONS ADVISORY (MCA PAGE 1 OF 2)

Town Real Estate, P.O. Box 5297 Palm Springs, CA 92264  
Geoffrey Moore

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Property Address: 555 S Indian Trail, PALM SPRINGS, CA 92264

Date: January 11, 2021

(3) **INSPECTION CONTINGENCY:** If you disapprove of the condition of the property and as a result, you do not purchase the property, you may legally be in default under the contract and required to pay damages to, or forfeit your deposit to, the Seller if you have removed your inspection contingency. However, even if you make an offer without an inspection contingency or you remove that contingency, the Seller may still be obligated to disclose to you material facts about the property. In some cases, once you receive that information the law gives you an independent right to cancel for a limited period of time.

There is inherent risk in writing a non-contingent offer. Only you, after careful consultation and deliberation with your attorney, accountant, or financial advisor can decide how much risk you are willing to take. IT IS YOUR DECISION ALONE AND CANNOT BE MADE BY YOUR BROKER OR REAL ESTATE AGENT.

**C. BROKER RECOMMENDATIONS.** Broker recommends that you do not write a non-contingent offer, even if you are planning on paying all cash for the property. If you intend to write a non-contingent offer, Broker recommends that, prior to writing the offer, you: (i) review all available Seller reports, disclosures, information and documents; (ii) have an appropriate professional inspect the property (even if it is being sold "as is" in its present condition); and (iii) carefully assess your financial position and risk with your attorney, accountant or financial advisor.

**D. MULTIPLE OFFERS:** At times Buyers may write offers on more than one property even though the Buyer intends to purchase only one. This may occur in a short sale when the approval process can take a considerable amount of time. While it is not illegal to make offers on multiple properties with intent to purchase only one, the Buyer can be obligated to many Sellers if more than one accepts the Buyer's offers. If the Buyer has not disclosed that the Buyer is writing multiple offers with the intent to purchase only one and the Buyer subsequently cancels without using a contingency, the Seller may claim the Buyer is in breach of contract because the Buyer fraudulently induced the Seller to enter into a contract.

### 3. SELLER CONSIDERATIONS:

As a Seller, you are responsible for determining the asking price for your property. Although Brokers may provide you with comparable sales data, generally from information published in the local multiple listing service, you should know that the reporting of this data is often delayed and prices may change, up or down, faster than reported sales indicate. All Sellers should be sure they are comfortable with the asking price they are selling and the price they are accepting. There is not, and cannot be, any guarantee that the price you decide to ask for your property, or the price at which you agree to sell your property is the highest available price obtainable for the property. It is solely your decision as to how much to ask for your property and at which price to sell your property.

Buyer/Seller acknowledges each has read, understands and has received a copy of this Market Conditions Advisory.

Buyer X <u></u>	Date <u>1/11/2021</u>
Buyer X <u></u> Mark Wenzel	Date <u>1/11/2021</u>
Seller X _____	Date _____
Seller <u>Kevin Nerl</u>	Date _____

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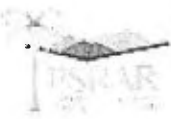
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MARKET CONDITIONS ADVISORY (MCA PAGE 2 OF 2)

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## Local Area Disclosures for Greater Palm Springs and Coachella Valley

### 1. Weather Advisory, Natural Hazards & Conditions, Wind

Buyer is aware and acknowledges that given the area's desert environment, the subject Property located in the Greater Palm Springs area and Coachella Valley may be subject to numerous natural conditions and/or hazards, such as high winds, extreme daily fluctuations of heat and cold, and flash flooding. These conditions can cause numerous health and safety concerns, such as extreme pollen and dust related allergy problems. Buyer is aware that the Greater Palm Springs area and Coachella Valley are subject to high winds, and that some areas may be subject to greater wind than others based on numerous factors, such as terrain and weather conditions. Sand and wind storms may occur and may cause damage. Broker recommends that Buyer consult with the appropriate experts regarding the potential impact of these conditions on the Property, and that Buyer conduct or have others conduct all desired investigations and research deemed necessary to satisfy any concerns, regarding local weather patterns.

### 2. Pests, Vermin, Plants/Shrubs

There are numerous pests in the Greater Palm Springs area and Coachella Valley, including but not limited to, black widow spiders, ants, rattlesnakes, scorpions, fire ants, skunks, raccoons and coyotes (collectively "pests"). Coyotes have been known to kill household pets. Broker recommends appropriate steps be taken to protect children and/or pets, to avoid potential dangers. Broker recommends that Buyer consult with a local pest control company or wildlife control company to determine whether regular service of the Property can provide some protection from pest problems. Buyer is also advised that many Oleander plants or shrubs may be infected or could become infected, which may require their removal. Broker recommends that Buyer consult with the appropriate experts regarding the potential impacts of these conditions on the Property.

### 3. Leased Land

Buyer is aware that many homes and/or structures in the Greater Palm Springs area and Coachella Valley are on leased land which may be owned by Native Americans or non-Native American, individuals or entities. This type of land is leased, rather than sold. This means that the real property, or land that lies underneath the home or structure, does not transfer with title. Upon the transfer of these properties, the Buyer may receive a land lease or sublease, rather than Fee Simple title to the property. Broker strongly recommends that Buyer investigate whether the Property is located on such leased land and what type of title, if any, Buyer will receive upon close of the subject transaction. If the Property is on Native American Tribal lease land, the Bureau of Indian Affairs is usually involved in and must approve any transfer. This can cause delays in the process. There may also be substantial transfer fees required and payment of these fees is negotiable between the buyer and seller. The remaining term of lease or sublease should also be considered, as well as the potential for renewal. Broker further recommends Buyer procure and review all lease and or sublease documents affecting the Property, and consult with the proper experts, including legal and tax counsel, regarding the impact of leases or subleases and this form of ownership on the Buyer's use and enjoyment of the property.

### 4. Airports, Flight Paths and Railroads

Buyer is advised that there are multiple airports located in and around the Greater Palm Springs area and Coachella Valley. The Palm Springs International Airport is located within the Palm Springs city limits. The frequency and hours of aerial traffic, flight paths, altitude and other factors related to those airports are subject to change. Some properties may or may not lie within flight patterns, and/or

Page | 1

Buyer Initial SB MW Seller Initial \_\_\_\_\_

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adjacent to airports, and may be subject to noise conditions, vibration impacts and flight patterns, which are subject to change at any time. Broker strongly advises Buyer to investigate all existing and future plans for flight path expansions, and any changes that may affect the subject Property. For additional information regarding the use and potential expansion of local airports, Buyer may contact: 1) The Palm Springs International Airport, 760-318-3800; 2) The Bermuda Dunes Airport, 760-345-2558, 3) The Desert Resorts Regional Airport, 800-235-9876. Additionally, the railroad runs through the entire valley. There are currently two tracks and trains run frequently, at all hours. Buyer should determine the proximity to the tracks and the noise created by the trains, whistles and crossing signals.

#### 5. Salton Sea and Water Conflicts

The Salton Sea is a large body of semi-stagnant salt water lying below sea level at the Eastern end of Coachella Valley. Buyer is aware that, when certain wind conditions are present, an unpleasant odor from the Salton Sea is noticeable throughout the Greater Palm Springs area and Coachella Valley. Broker recommends that the Buyer investigate this condition and its impact on the Property if there is a concern. There are pending lawsuits between the Water Districts in the Valley and the Native American tribes, contesting the rights to provide water and watershed and ground water maintenance issues which may affect the public water supply. Most of the public water provided by the Water Districts is underground and pumped from wells. There is ongoing concern about the varying levels of the water table in Greater Palm Springs area and Coachella Valley. Buyer should contact the applicable Water District to obtain information if they have any questions regarding these issues.

#### 6. Earthquakes

Buyer is aware that California including the Greater Palm Springs area, and Coachella Valley, is subject to earthquakes. There are fault lines that run through or close to the Greater Palm Springs area and Coachella Valley including the San Andreas fault line as well as other known and unknown earthquake faults. Broker recommends that the Buyer consult with the appropriate experts and licensed professionals if buyer is concerned about fault locations and any impact it may have on the property.

#### 7. Washes and flooding

Buyer is aware that there are a number of dry stream beds, or "washes" throughout the Greater Palm Springs area and Coachella Valley, that are subject to the potential for flooding during heavy rains. "Flash Flooding" can make access to some properties difficult, dangerous and inaccessible during periods of heavy rain. Broker recommends that Buyer consult appropriate licensed professionals to satisfy any questions concerning the subject property pertaining to past flooding and/or potential flooding and problems that may result from such flooding.

#### 8. Soils and Land

Buyers and Sellers acknowledge that Broker and Agents are not experts in the fields of geology and engineering, and have no knowledge of the soil condition of the Property. It is expressly agreed upon between the Buyer and Seller that the Buyer is purchasing the property in its "as is" condition and with all faults as to the soil, related problems of any nature whatsoever, whether caused from the soil in its natural state or modified by third persons or business entities. Buyer and Seller have been advised that Southern California in general, consists of clay, adobe, expansive soils, and there are minor and major fault lines throughout the area. Therefore, Buyer is advised to seek the services of qualified soil engineers, structural engineers and/or other experts of his/her own choosing to determine the condition and suitability of the Property. Buyer and Seller agree that soils analysis/evaluation cannot be performed by a reasonably competent and diligent visual inspection and thus hold the Broker and

Page | 2

Buyer Initial BB (M.W.) Seller Initial \_\_\_\_\_

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Agents harmless from any damages or losses in value suffered to the subject Property by virtue of any soil, structural or design related deficiencies.

#### 9. Sewer Connections

Buyer is aware that many homes in the Greater Palm Springs area and Coachella Valley are not connected to any local sewer systems. In some cases a connection to that system may be required prior to the close of escrow. Broker recommends and encourages Buyer to investigate to their satisfaction, by consulting licensed contractors and/or the appropriate government or water agency employees to determine whether the subject Property is connected to a City's sewer system. Broker also recommends that Buyer consult with appropriate city agencies and/or contractors to determine if the Property must be connected to the sewer, the potential cost and who is responsible for the cost involved to complete the sewer connection.

#### 10. Regulations/Restrictions - Rentals, Vacation Rentals, Short Term Vacation Rentals (City and HOA)

Cities in the Greater Palm Springs area and Coachella Valley may have individual city ordinances with regards to Rentals, Vacation Rentals and Short Term Vacation Rentals. Additionally, Home Owner Associations (HOA) may have Conditions, Covenants and Restrictions (CC&Rs) and/or Bylaws and/or rules that regulate and/or restrict the use of the subject property as a Rental, Vacation Rental or Short Term Vacation Rental. Buyer should consult the appropriate city agencies and/or the Home Owner's Association (HOA), Country Club or Management firm to determine whether restrictions and/or regulations exist.

#### 11. Country Club Memberships

Buyer is aware that there are many properties in the Greater Palm Springs area and Coachella Valley, which are subject to CC&Rs that require the transfer of Seller's proprietary Country Club Membership before the close of escrow and final transfer of real property. Buyer is aware that a fee may be required prior to such a transfer. Broker recommends that Buyer review the subject CC&Rs and contact the HOA, Country Club or Management firm to determine whether such a requirement exists, and the amount of the transfer fees, with regard to the Property.

#### 12. Golf Courses

Buyer is aware that purchasing a home adjacent to, or on a golf course generally results in the Buyer assuming all foreseeable risks associated with a golf course such as injury from a golf ball, property damage and may not include a membership or right to use or access any part of the golf course. Buyer is also aware that the golf courses use and maintenance may impact the subject Property's noise and disturbance levels. Broker recommends buyer investigate the impact on the use of the Property, with regard to being adjacent or on a golf course, and how it may affect their enjoyment and use of such Property. Broker also recommends Buyer talk to the appropriate parties to find out what additional fees may be involved to use golf courses as additional fees may be required.

#### 13. Swimming Pools and Spas

Many homes in the Greater Palm Springs area and Coachella Valley have pools and spas, with related pumps, heaters and equipment. Some pools are many years old and may be in need of re-plastering, repair or replacement of equipment. Some pool equipment may be leased or there may be a special encumbrance. Some pools have been painted which may result in a milky discoloration of the water and may require constant maintenance or re-plastering. Not all pools will have heaters; heating a pool

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can be very costly. Broker recommends Buyer obtain the services of a professional pool service company to inspect all aspects and conditions of a pool and or spa, if one is located on the Property, to determine the condition of the pool and spa, and how such condition may impact the buyer's use and enjoyment of the Property, and what the cost estimate would be to maintain and/or repair the pool and spa. Additionally, Buyer is aware that pools often are considered a "dangerous or attractive nuisance" and Buyer needs to consider the use of the pool by minors and the safety of minors and non-swimmers.

#### 14. Mold Disclosures

Buyer is aware that Broker and Agents are not qualified to inspect for mold or to make any recommendations or determinations regarding treatment or costs of repair concerning possible existence, exposure, or health and safety issues relating to mold. Broker recommends that sellers and buyer conduct their own due diligence regarding this matter and to use the appropriate qualified experts to investigate the Property to determine the potential existence of mold. Buyer should check with their insurance carrier, review any past insurance claims and consider the specific health concerns of prospective occupants or guests. By signing this disclosure and Agreement, you agree that Broker shall have no further responsibility for protecting you against the possibility of mold contamination of the property or any resulting injury or damage to property.

#### 15. Interior Condition

Buyer is aware that when furnishings are removed from a property, there may be marks and or indentations in tile, carpeting and other flooring. When wall décor is removed from a home, there may also be discoloration of paint, or wallpaper and/or marks and holes on the walls. Buyer is aware agents, while conducting inspections, will not move furniture, furnishings and/or wall coverings. Broker advises Buyers to perform a final walk-thru of the property per the terms of the contract. Although it is encouraged, not all sellers have the Property professionally cleaned prior to the transfer of ownership.

#### 16. Roofs

Buyer is aware Broker and Agents, make no warranty nor guarantee about the reliability or condition of roofs. Buyer shall have the sole duty to determine the condition, the remaining expected useful life, and the cost to replace or repair the roof of the Property, based on their own independent inspection of the roof or by the inspection of a qualified roof inspector of Buyer's own choosing. Buyer is aware that agents will not climb onto the roof or a ladder when inspecting the property.

#### 17. Asbestos

Buyer is advised that if the subject Property was constructed prior to 1978, it is likely that there may be asbestos present in or around the Property. Asbestos can create a serious health hazard, particularly when it is removed, crushed or disturbed. Broker and Agents are not qualified to inspect for asbestos or make any recommendations or determinations concerning the possible exposure or potential health and safety issues. Buyer is also advised and may, at Buyer's option and expense, conduct an inspection by a qualified professional of their choice, and/or conduct a test or evaluation of materials on or about the Property, to determine if there are hazardous conditions present. The inspection and/or testing shall be completed within the time frames specified in the Purchase Agreement, during the Buyer's inspection period, and should be completed and reviewed by Buyer prior to removing contingencies. Should it be determined that there are hazardous conditions present, a written recommendation that the hazardous materials be removed by the Seller should be made. It shall then be the Buyer's and Seller's mutual decision as to how to comply with the recommendations, in whole or in part, or cancel

Page | 4

Buyer Initial AS MD Seller Initial \_\_\_\_\_

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this transaction and return Buyers' deposit less any expenses incurred, upon written mutual cancellation instructions.

#### 18. Equestrian Property

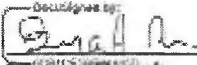

There are several equestrian and horse stable operation in Greater Palm Springs area and Coachella Valley with resulting animal odors. Buyer should investigate the proximity of Property to any equestrian properties/facilities. Additionally, if Buyer is intending to utilize Property for stabling or housing animals, Buyer should make a thorough independent examination of zoning requirements, CC&Rs other HOA governing documents and local ordinances access issues.

#### 19. Walls and Boundaries

Some of the homes and estates in Greater Palm Springs area and Coachella Valley, particularly older homes were constructed without the benefit of surveys and the careful attention to actual boundary lines. A wall or fence may not actually be on the property line, sometimes by several feet or more. Buyer should pay careful attention to existing walls or boundaries and determine exact locations, encroachments or "prescriptive uses." If there is any concern, a professional survey should be requested, the cost of which is negotiable between Buyer and Seller. Some properties in the Palm Springs or Coachella Valley areas may be architecturally or historically significant and may be subject to government or other rules, limit modifications or improvements to the property, particularly the exterior of a property.

#### 20. Disclaimer

This Local Area Disclosure form contains information abridged from various sources. The Association, Buyer(s), Broker(s), and Agent(s) do not guarantee such information to be complete or up-to-date. Any information contained in this document should not be construed to be legal advice, which is the application of law to an individual's specific circumstances, or expert recommendations. Although reasonable effort is made to ensure the information is accurate and useful, it is recommended that all parties consult with a lawyer or applicable expert to obtain professional assurances that the information provided, and your interpretation of it, is appropriate for a particular situation. All parties hereto acknowledge that the Palm Springs Regional Association of REALTORS® has furnished this Local Area Disclosure form to its members as a service and that it makes no representation or warranty as to the enforceability or applicability of this Local Area Disclosure form to a particular transaction or circumstance.

Buyer	<u></u>	Date	<u>1/11/2021</u>
Buyer	<u> Mark Wensel</u>	Date	<u>1/11/2021</u>
Seller	<u>Kevin Neri</u>	Date	_____
Seller	_____	Date	_____

Revised 12-19-2018

Page | 5

Buyer Initial BB MW Seller Initial \_\_\_\_\_

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**STATEWIDE BUYER AND SELLER ADVISORY**  
(This Form Does Not Replace Local Condition Disclosures.  
Additional Advisories or Disclosures May Be Attached)  
(C.A.R. Form SBSA, Revised 6/18)

**BUYER RIGHTS AND DUTIES:**

- The physical condition of the land and improvements being purchased are not guaranteed by Seller or Brokers.
- You should conduct thorough investigations of the Property both personally and with appropriate professionals.
- If professionals recommend further inspections, you should contact qualified experts to conduct such inspections.
- You should retain your own professional even if Seller or Broker has provided you with existing reports.
- You should read all written reports given to you and discuss those reports with the persons who prepared them. It is possible that different reports provided to you contain conflicting information. If there are discrepancies between reports, disclosures or other information, you are responsible for contacting appropriate professionals to confirm the accuracy of correctness of the reports, disclosures or information.
- You have the right to request that the Seller make repairs or corrections or take other actions based on inspections or disclosures, but the Seller is not obligated to respond to you or make any such repairs, corrections or other requested actions.
- If the Seller is unwilling or unable to satisfy your requests, and you act within certain time periods, you may have the right to cancel the Agreement (the Purchase Agreement and any Counter Offer and Addenda together are the "Agreement"). If you cancel outside of these periods, you may be in breach of the Agreement and your deposit might be at risk.
- You are advised to seek legal, tax, and other assistance from appropriate professionals in order to fully understand the implications of any documents or actions during the transaction. If you are doing a 1031 exchange, you are advised to contact an exchange accommodator to discuss the proper method and timing of the exchange.
- The terms of the Agreement and any counter offers and addenda establish your rights and responsibilities.

**YOU ARE STRONGLY ADVISED TO INVESTIGATE THE CONDITION AND SUITABILITY OF ALL ASPECTS OF THE PROPERTY. IF YOU DO NOT DO SO, YOU ARE ACTING AGAINST THE ADVICE OF BROKERS.**

**SELLER RIGHTS AND DUTIES:**

- You have a duty to disclose material facts known to you that affect the value or desirability of the Property.
- You are obligated to make the Property available to the Buyer and have utilities on for inspections as allowed by the Agreement.
- This form is not a substitute for completing a Real Estate Transfer Disclosure Statement, if required, and any other property-specific questionnaires or disclosures.
- The terms of the Agreement establish your rights and responsibilities.
- You are advised to seek legal, tax, and other assistance from appropriate professionals in order to fully understand the implications of any documents or actions during the transaction. If you are doing a 1031 exchange, you are advised to contact an exchange accommodator to discuss the proper method and timing of the exchange.

**BROKER RIGHTS AND DUTIES:**

- Brokers do not have expertise in all areas and matters affecting the Property or your evaluation of it.
- For most sales of residential properties with no more than four units, Brokers have a duty to make a reasonably competent and diligent visual inspection of the accessible areas of the Property and disclose to you material facts or defects that the inspection reveals.
- Many defects and conditions may not be discoverable by a Broker's visual inspection.
- If Brokers give a referral to another professional, Brokers do not guarantee that person's performance. You may select any professional of your own choosing.
- If a Broker gives you reports or other documents, unless otherwise specified, it is possible that different reports provided to you contain conflicting information. Broker has not and will not verify or otherwise investigate the information contained therein.
- Any written agreement between a Broker and either Buyer or Seller or both establishes the rights and responsibilities of those parties.

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SBSA REVISED 6/18 (PAGE 1 OF 14)

STATEWIDE BUYER AND SELLER ADVISORY (SBSA PAGE 1 OF 14)

Town Hall Estate, P.O. Box 5297 Palm Springs, CA 92263  
Geoffrey Moore

Phone: 760.641.9066 Fax: 760.641.9067  
Produced with Long Well Transactions (ref: form 1000) 231 Shawan Ct. Cambridge, Ontario, Canada N1T 1J3 www.longwell.com

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## Table of Contents

Notice: This Statewide Buyer and Seller Advisory is 14 pages and addresses the following topics. All paragraphs are important. Buyer and Seller are encouraged to read each one carefully.

<b>A. Investigation of Physical Conditions</b> (Pages 2-5)	1. Easements, Access and Encroachments, 2. Environmental Hazards, 3. Formaldehyde, 4. Geologic Hazards, 5. Inspections, 6. Mold, 7. Pets and Animals, 8. Septic Systems, 9. Soil and Geologic Conditions, 10. Square Footage, Lot Size, Boundaries and Surveys, 11. Water Intrusion, 12. Well and Water System(s), 13. Wood Destroying Pests
<b>B. Property Use and Ownership</b> (Pages 5-8)	1. Accessory Dwelling Units, 2. Building Permits, Zoning and Code Compliance, 3. Buyer Intended Future Use, 4. California Fair Plan, 5. Future Repairs, Replacements and Remodels, 6. Heating Ventilating and Air Conditioning Systems, 7. Historical Designation, Coastal Commission, Architectural, Landscape, Agricultural or Open Space and Other Restrictions on Buildings or Improvements, 8. Insurance, Title Insurance and Title Insurance After Foreclosure, 9. Land Lease, 10. Marijuana and Methamphetamine Labs, 11. Owner's Title Insurance, 12. Rent and Eviction Control Laws and Ordinances, 13. Retrofit, Building Requirements, and Point of Sale Requirements, 14. Short Term Rentals and Restrictions, 15. Views, 16. Swimming Pool, Security and Safety, 17. Water Shortages and Conservation, 18. 1915 Improvement Bond Mello-Roos Community District, and Other Assessment Districts
<b>C. Off-Site and Neighborhood Conditions</b> (Pages 8-9)	1. Golf Course Disclosures, 2. Neighborhood, Area, Personal Factors, Buyer Intended Use, High Speed Rails, and Smoking Restrictions, 3. Neighborhood Noise Sources, 4. Schools, 5. Underground Pipelines and Utilities
<b>D. Legal Requirements (Federal, State and Local)</b> (Pages 9-11)	1. Death on the Property, 2. Earthquake Fault Zones and Seismic Hazard Zones, 3. EPA's Lead-Based Paint Renovation, Repair and Painting Rule, 4. Fire Hazards, 5. FIRPTA/California Withholding, 6. Flood Hazards, 7. Megan's Law Database Disclosure, 8. Property Tax Bill Supplemental Notice, Accurate Sales Price Reporting, 9. Zone Maps May Change
<b>E. Contract Related Issues and Terms</b> (Pages 11-12)	1. Arbitration, 2. Electronic Signatures, 3. Escrow Funds, 4. Home Warranty, 5. Identification of Natural Persons Behind Shell Companies in All-Cash Transactions, 6. Liquidated Damages, 7. Mediation, 8. Non-Confidentiality of Offers, 9. Online or Wire Funds Transfers
<b>F. Other Factors Affecting Property</b> (Pages 12-14)	1. Community Enhancement and Private Transfer Fees, 2. General Recall/Defective Product/Class Action Information, 3. Homeowner Associations and Covenants, Conditions and Restrictions ("CC&Rs"); Charging Stations; FHAVA Approval, 4. Legal Action, 5. Marketing; Internet Advertising; Internet Blogs; Social Media, 6. PACE Loans and Liens, 7. Re-Keying, 8. Solar Panel Leases, 9. Recording Devices
<b>G. Local Disclosures and Advisories</b> (Page 14)	As may be attached.

## A. Investigation of Physical Conditions

- EASEMENTS, ACCESS AND ENCROACHMENTS:** Buyer and Seller are advised that confirming the exact location of easements, shared or private driveways or roadways, and encroachments on or to the Property may be possible only by conducting a survey. There may be unrecorded easements, access rights, encroachments and other agreements affecting the Property that may not be disclosed by a survey. Representations regarding these items that are made in a Multiple Listing Service or advertisements, or plotted by a title company are often approximations, or based upon inaccurate or incomplete records. Unless otherwise specified by Broker in writing, Brokers have not verified any such matters or any representations made by Seller(s) or others. If Buyer wants further information, Buyer is advised and Broker(s) recommend that Buyer hire a licensed surveyor during Buyer's inspection contingency period. Brokers do not have expertise in this area.
- ENVIRONMENTAL HAZARDS:** Buyer and Seller are advised that the presence of certain kinds of organisms, toxins and contaminants, including, but not limited to, mold (airborne, toxic or otherwise), fungi, mildew, lead-based paint and other lead contamination, asbestos, formaldehyde, radon, PCB's, methane, other gases, fuel oil or chemical storage tanks, contaminated soil or water, hazardous waste, waste disposal sites, electromagnetic fields, nuclear sources,

SBSA REVISED 6/18 (PAGE 2 OF 14)

STATEWIDE BUYER AND SELLER ADVISORY (SBSA PAGE 2 OF 14)

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urea formaldehyde, or other materials may adversely affect the Property and the health of individuals who live on or work at the property as well as pets. Some municipalities may impose additional requirements regarding underground storage tanks, which may be more common in certain areas and cities throughout the State, especially where there are larger, older homes built before 1935. It is possible that these tanks, either now or in the future, may require inspections or abatement. If Buyer wants further information, Buyer is advised, and Broker(s) recommends, that Buyer have the Property inspected for the existence of such conditions and organisms, and conditions that may lead to their formation. Not all inspectors are licensed and licenses are not available for all types of inspection activities. Buyer is also advised to consult with appropriate experts regarding this topic during Buyer's inspection contingency period. Broker recommends that Buyer and Seller read the booklets titled, "Residential Environmental Hazards: A Guide for Homeowners, Homebuyers, Landlords and Tenants," and "Protect Your Family From Lead In Your Home." Brokers do not have expertise in this area.

3. **FORMALDEHYDE:** Formaldehyde is a substance known to the State of California to cause cancer. Exposure to formaldehyde may be caused by materials used in the construction of homes. The United States Environmental Protection Agency, the California Air Resources Board, and other agencies have measured the presence of formaldehyde in the indoor air of select homes in California. Levels of formaldehyde that present a significant cancer risk have been measured in most homes that were tested. Formaldehyde is present in the air because it is emitted by a variety of building materials and home products used in construction. The materials include carpeting, pressed wood products, insulation, plastics, and glues. Most homes that have been tested elsewhere do contain formaldehyde, although the concentrations vary from home to home with no obvious explanation for the differences. One of the problems is that many suppliers of building materials and home products do not provide information on chemical ingredients to builders. Buyers may have further questions about these issues. Buyer is advised to consult with appropriate experts regarding this topic during Buyer's inspection contingency period. Broker(s) recommend that Buyer and Seller read the booklet titled "Residential Environmental Hazards: A Guide for Homeowners, Homebuyers, Landlords and Tenants." Brokers do not have expertise in this area.
4. **GEOLOGIC HAZARDS:** Buyer and Seller are advised that California has experienced earthquakes in the past, and there is always a potential of future earthquakes. Damage caused by an earthquake may not be discoverable by a visual inspection of Buyer(s) or Broker(s). Inspection by a licensed, qualified professional is strongly recommended to determine the structural integrity and safety of all structures and improvements on the Property. If the Property is a condominium, or located in a planned unit development or in a common interest subdivision, Buyer is advised to contact the homeowners association about earthquake repairs and retrofit work and the possibility of an increased or special assessment to defray the costs of earthquake repairs or retrofit work. Buyer is encouraged to obtain and read the booklet entitled, "The Homeowner's Guide to Earthquake Safety." In most cases a questionnaire within the booklet must be completed by Seller and the entire booklet given to the Buyer if the Property was built prior to 1960. If the Property was built before 1975, and contains structures constructed of masonry or precast (tilt up) concrete walls, with wood frame floors or roof, or if the building has unreinforced masonry walls, then Seller must provide Buyer a pamphlet entitled "The Commercial Property Owner's Guide to Earthquake Safety." Many areas have a wide range of geologic problems and numerous studies have been made of these conditions. Some of this information is available for public review at city and county planning departments. Buyer is encouraged to review the public maps and reports and/or obtain a geologist's inspection report. Buyer may be able to obtain earthquake insurance to protect their interest in the Property. Sellers who agree to provide financing should also consider requiring Buyers to obtain such insurance naming Seller(s) as insured lien holder(s). Brokers do not have expertise in this area.
5. **INSPECTIONS:** Buyer and Seller are advised that Buyer has the right to obtain various inspections of the Property under most residential purchase agreements. Buyer is advised to have the Property inspected by a professional property inspection service within Buyer's inspection contingency period. A licensed building contractor or other professional may perform these services. The inspector generally does not look behind walls or under carpets, or take equipment apart. Certain items on the Property, such as chimneys and spark arresters, plumbing, heating, air conditioning, electrical wiring, pool and spa, septic system, well, roof, foundation and structural items may need to be inspected by another professional, such as a chimney sweep, plumber, electrician, pool and spa service, septic or well company or roofer. A general physical inspection typically will not test for mold, wood destroying pests, lead-based paint, radon, asbestos and other environmental hazards, geologic conditions, age, remaining useful life or water-tightness of roof, cracks, leaks or operational problems associated with a pool or spa or connection of the Property to a sewer system. If Buyer wants further information on any aspect of the Property, Broker recommends that Buyer have a discussion with the professional property inspector and that Buyer hire an appropriate professional for the area of concern to Buyer. Brokers do not verify the results of any such inspection or guarantee the performance of any such inspector or service. Any election by Buyer to waive the right to a physical inspection of the Property or to rely on somebody other than an appropriate professional is against the advice of Brokers. Not all inspectors are licensed and licenses are not available for all types of inspection activities. Brokers do not have expertise in these areas.
6. **MOLD:** Buyer and Seller are advised that the presence of certain kinds of mold, fungi, mildew and other organisms, sometimes referred to as "toxic mold" (collectively "Mold"), may adversely affect the Property and the health of individuals who live on or work at the Property as well as pets. Mold does not affect all people the same way, and may

SBSA REVISED 6/18 (PAGE 3 OF 14)

STATEWIDE BUYER AND SELLER ADVISORY (SBSA PAGE 3 OF 14)

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not affect some people at all. Mold may be caused by water leaks or other sources of moisture such as, but not limited to, flooding, and leaks in windows, pipes and roof. Seller is advised to disclose the existence of any such conditions of which he or she is aware. Buyer should carefully review all of Seller's disclosures for any indication that any of these conditions exist. It is, however, possible that Mold may be hidden and that Seller is completely unaware of its existence. In addition, Mold is often undetectable from a visual inspection, a professional general property inspection and even a structural pest control inspection. Brokers do not have expertise in this area. If Buyer wants further information, Broker recommends that Buyer have the Property tested for Mold by an environmental hygienist or other appropriate professional during Buyer's inspection contingency period. Not all inspectors are licensed and licenses are not available for all types of inspection activities. Brokers do not have expertise in this area.

7. **PETS AND ANIMALS:** Buyer and Seller are advised that the current or previous owner(s) may have had domesticated or other pets and animals at the Property. Odors from animal urine or other contamination may be dormant for long periods of time and then become active because of heat, humidity or other factors and might not be eliminated by cleaning or replacing carpets or other cleaning methods. Pet urine and feces can also damage hardwood floors and other floor coverings. Additionally, an animal may have had fleas, ticks and other pests that remain on the Property after the animal has been removed. If Buyer wants further information, Broker(s) recommend that Buyer discuss the issue with an appropriate professional during Buyer's inspection contingency period. Brokers do not have expertise in this area.
8. **SEPTIC SYSTEMS:** Buyer and Seller are advised that a property may be served by one or more septic systems even though adjoining properties are connected to a sewer line. Buyer and Seller are also advised that some septic tanks and systems may have been abandoned or have leaked into ground water sources. Buyer is advised to contact the appropriate government agency to verify that the Property is connected to a sewer or served by a septic system. If the Property is served by a septic system, it may consist of a septic tank, cesspool, pits, leach lines or a combination of such mechanisms ("collectively, System"). No representation or warranty is made by Seller or Broker concerning the condition, operability, size, capacity or future expansion of a System, nor whether a System is adequate for use by the intended occupants of the Property. A change in the number of occupants or the quantity, composition or methods of depositing waste may affect the efficiency of the System. In addition, the amount of rainfall and ground water table may also affect the efficiency of the System. Many factors including, but not limited to, natural forces, age, deterioration of materials and the load imposed on a System can cause the System to fail at any time. Broker recommends that Buyer obtain an independent evaluation of any System by a qualified sanitation professional during Buyer's inspection contingency period. Buyer should consult with their sanitation professional to determine if their report includes the tank only, or other additional components of the System such as pits and leach fields. Not all inspectors are licensed and licenses are not available for all types of inspection activities. In some cases, Buyer's lender as well as local government agencies may require System inspection. System-related maintenance costs may include, but not be limited to, locating, pumping or providing outlets to ground level. Brokers are unable to advise Buyer or Seller regarding System-related issues or associated costs, which may be significant. If Buyer and Seller agree to obtain a System inspection, Buyer and Seller are cautioned that the inspection cost may include, but not be limited to, the costs of locating, pumping or providing outlets to ground level. Brokers do not have expertise in this area.
9. **SOIL AND GEOLOGIC CONDITIONS:** Buyer and Seller are advised that real estate in California is subject to settling, slippage, contraction, expansion erosion, subsidence, earthquakes and other land movement. The Property may be constructed on fill or improperly compacted soil and may have inadequate drainage capability. Any of these matters can cause structural problems to improvements on the Property. Civil or geo-technical engineers are best suited to evaluate soil stability, grading, drainage and other soil conditions. Additionally, the Property may contain known or unknown mines, mills, caves or wells. If Buyer wants further information, Broker recommends that Buyer hire an appropriate professional. Not all inspectors are licensed and licenses are not available for all types of inspections. Brokers do not have expertise in this area.
10. **SQUARE FOOTAGE, LOT SIZE, BOUNDARIES AND SURVEYS:** Buyer and Seller are advised that only an appraiser or land surveyor, as applicable, can reliably confirm square footage, lot size, Property corners and exact boundaries of the Property. Representations regarding these items that are made in a Multiple Listing Service, advertisements, and from property tax assessor records are often approximations, or based upon inaccurate or incomplete records. Fences, hedges, walls or other barriers may not represent actual boundary lines. Unless otherwise specified by Broker in writing, Brokers have not verified any such boundary lines or any representations made by Seller or others concerning square footage, lot size, Property corners or exact boundaries. Standard title insurance does not insure the boundaries of the Property. If the exact square footage or lot size or location of Property corners or boundaries is an important consideration in Buyer's decision to purchase the Property and/or how much Buyer is willing to pay for the Property, then Buyer must independently conduct Buyer's own investigation through appropriate professionals, appraisers, or licensed surveyors and rely solely on their data, recognizing that all measurements may not be consistent and that different sources may have different size assessments. Brokers do not have expertise in this area.
11. **WATER INTRUSION:** Buyer and Seller are advised that many homes suffer from water intrusion or leakage. The causes of water intrusion are varied, and can include defective construction, faulty grading, deterioration of building materials and absence of waterproof barriers. Water intrusion can cause serious damage to the Property. This damage

SBSA REVISED 6/18 (PAGE 4 OF 14)

STATEWIDE BUYER AND SELLER ADVISORY (SBSA PAGE 4 OF 14)

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can consist of wood rot, mold, mildew and even damage to the structural integrity of the Property. The cost of repairing and remediating water intrusion damage and its causes can be very significant. The existence and cause of water intrusion is often difficult to detect. Because you, your Broker or a general home inspector cannot visually observe any effects of water intrusion, Buyer and Seller should not assume that such intrusion does not exist. Broker recommends that Buyer have the Property inspected for water intrusion by an appropriate professional. Brokers do not have expertise in this area.

12. **WELL AND WATER SYSTEM(S):** Buyer and Seller are advised that the Property may be served by one or more water wells, springs, or private community or public water systems. Any of these private or public water systems may contain bacteria, chemicals, minerals and metals, such as chromium. Well(s) may have been abandoned on the Property. Buyer is advised to have both the quality and the quantity of water evaluated, and to obtain an analysis of the quality of any domestic and agricultural water in use, or to be used at the Property, from whatever source. Water quality tests can include not only tests for bacteria, such as coliform, but also tests for organic and inorganic chemicals, metals, mineral content and gross alpha testing for radioactivity. Broker recommends that Buyer consult with a licensed, qualified well and pump company and local government agency to determine whether any well/spring or water system will adequately serve Buyer's intended use and that Buyer have a well consultant perform an extended well output test for this purpose. Water well or spring capacity, quantity output and quality may change at any time. There are no guarantees as to the future water quality, quantity or duration of any well or spring. If Buyer wants further information, Broker(s) recommend that Buyer obtain an inspection of the condition, age, adequacy and performance of all components of the well/spring and any water system during Buyer's inspection contingency period. Brokers do not have expertise in this area.
13. **WOOD DESTROYING PESTS:** Buyer and Seller are advised that the presence of, or conditions likely to lead to the presence of infestation or infection of wood destroying pests and organisms may adversely affect the Property. Inspection reports covering these items can be separated into two sections: Section 1 identifies areas where infestation or infection is evident. Section 2 identifies areas where there are conditions likely to lead to infestation or infection. If Buyer wants further information, Buyer is advised and Broker recommends that Buyer have the Property inspected for the existence of such conditions and organisms, and conditions that may lead to their formation, by a registered structural pest control company during Buyer's inspection contingency period. Brokers do not have expertise in this area.

## B. Property Use and Ownership

1. **ACCESSORY DWELLING UNITS:** Accessory Dwelling Units (ADUs) are known by many names: granny flats, in-law units, backyard cottages, secondary units and more. California has passed laws to promote the development of ADUs. Additional information about ADUs can be found at <http://hcd.ca.gov/policy-research/AccessoryDwellingUnits.shtml>. Buyer is advised to check with appropriate government agencies or third party professionals to verify permits and legal requirements and the effect of such requirements on current and future use and rentability of the Property, its development and size. Brokers do not have expertise in this area.
2. **BUILDING PERMITS, ZONING AND CODE COMPLIANCE:** Buyer and Seller are advised that any structure on the Property, including the original structure and any addition, modification, remodel or improvement may have been built without permits, not according to building codes, or in violation of zoning laws. Further, even if such structure was built according to the then-existing code or zoning requirement, it may not be in compliance with current building standards or local zoning. It is also possible that local law may not permit structures that now exist to be rebuilt in the event of damage or destruction. Certain governmental agencies may require periodic inspections to occur in the future. If Buyer wants further information, Broker(s) recommend that Buyer discuss the issue with an appropriate professional during Buyer's inspection contingency period. Brokers do not have expertise in this area.
3. **BUYER INTENDED FUTURE USE OF, AND MODIFICATIONS TO, THE PROPERTY:** Buyer and Seller are advised that Seller's existing use of the property may not be consistent with Buyer's intended use or any future use that Buyer makes of the property, whether or not Buyer has any current plans to change the use. Buyer is advised to check with appropriate government agencies or third party professionals to verify what legal requirements are needed to accommodate any change in use. In addition, neither Seller nor Broker make any representations as to what modifications Buyer can make to the Property after close of escrow as well as any cost factors associated with any such modifications. Buyer is advised to check with his own licensed contractor and other such professionals as well as with the appropriate government agencies to determine what modifications Buyer will be allowed to make after close of escrow. Brokers do not have expertise in this area.
4. **CALIFORNIA FAIR PLAN:** Buyer and Seller are advised that insurance for certain hillside, oceanfront and brush properties may be available only from the California Fair Plan. This may increase the cost of insurance for such properties and coverage may be limited. Broker(s) recommend that Buyer consult with Buyer's own insurance agent during Buyer's inspection contingency period regarding the availability of coverage under the California Fair Plan and the length of time it may take for processing of a California Fair Plan application. Brokers do not have expertise in this area.

SBSA REVISED 6/18 (PAGE 5 OF 14)

STATEWIDE BUYER AND SELLER ADVISORY (SBSA PAGE 5 OF 14)

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5. **FUTURE REPAIRS, REPLACEMENTS AND REMODELS:** Buyer and Seller are advised that replacement or repairs of certain systems or rebuilding or remodeling of all or a portion of the Property may trigger requirements that homeowners comply with laws and regulations that either come into effect after Close of Escrow or are not required to be complied with until the replacement, repair, rebuild or remodel has occurred. Permit or code requirements or building standards may change after Close of Escrow, resulting in increasing costs to repair existing features. If Buyer wants further information, Broker recommends that Buyer discuss the issue with an appropriate professional during Buyer's inspection contingency period. Brokers do not have expertise in this area.
6. **HEATING VENTILATING AND AIR CONDITIONING SYSTEMS:** Changes to state and federal energy efficiency regulations impact the installation, replacement and some repairs of heating and air conditioning units (HVAC): (i) Federal regulations now require manufacturers of HVAC units to produce only units meeting a new higher Seasonal Energy Efficiency Rating (SEER). This will likely impact repairs and replacements of existing HVAC units. State regulations now require that when installing or replacing HVAC units, with some exceptions, duct work must be tested for leaks. Duct work leaking more than 15 percent must be repaired to reduce leaks. The average existing duct work typically leaks 30 percent. More information is available at the California Energy Commission's website <http://www.energy.ca.gov/title24/changeout>. Home warranty policies may not cover such inspections or repairs, (ii) the phase out of the use of HCFC-22 (R-22 Freon) will have an impact on repairs and replacement of existing air conditioning units and heat pumps. The production and import of HCFC-22 ended January 1, 2020. Existing systems may continue to be used and HCFC-22 recovered and reclaimed or that was produced prior to 2020 can help meet the needs of existing systems, however, costs may rise. More information is available from the Environmental Protection Agency at [https://www.epa.gov/sites/production/files/2018-08/documents/residential\\_air\\_conditioning\\_and\\_the\\_phaseout\\_of\\_hcfc-22\\_what\\_you\\_need\\_to\\_know.pdf](https://www.epa.gov/sites/production/files/2018-08/documents/residential_air_conditioning_and_the_phaseout_of_hcfc-22_what_you_need_to_know.pdf) and <http://www.epa.gov/ozone/title6/phaseout/22phaseout.html>, and (iii) New efficiency standards are also in place for water heaters. As a consequence, replacement water heaters will generally be larger than existing units and may not fit in the existing space. Additional venting and other modifications may be required as well. More information is available from the U.S. Department of Energy at [http://www.eere.energy.gov/buildings/appliance\\_standards/product.aspx?productid/27](http://www.eere.energy.gov/buildings/appliance_standards/product.aspx?productid/27). If Buyer wants further information, Broker recommends that Buyer discuss the issue with an appropriate professional during Buyer's inspection contingency period. Brokers do not have expertise in this area.
7. **HISTORICAL DESIGNATION, COASTAL COMMISSION, ARCHITECTURAL, LANDSCAPE, AGRICULTURAL OR OPEN SPACE AND OTHER RESTRICTIONS ON BUILDINGS OR IMPROVEMENTS:** Buyer and Seller are advised that the Property may be: (i) designated as a historical landmark, (ii) protected by a historical conservancy, (iii) subject to an architectural or landscaping review process, (iv) within the jurisdiction of the California Coastal Commission or other government agency, or (v) subject to a contract preserving use of all or part of the Property for agriculture or open space. If the Property is so designated or within the jurisdiction of any such, or similar, government agency, then there may be restrictions or requirements regarding Buyer's ability to develop, remove or trim trees or other landscaping, remodel, make improvements to and build on or rebuild the Property. Broker(s) recommend that Buyer satisfy him/herself during Buyer's inspection contingency period if any of these issues are of concern to Buyer. Brokers do not have expertise in this area.
8. **INSURANCE, TITLE INSURANCE AND TITLE INSURANCE AFTER FORECLOSURE:** Buyer and Seller are advised that Buyer may have difficulty obtaining insurance regarding the Property if there has been a prior insurance claim affecting the Property or made by Buyer but unrelated to the Property. Seller is required by C.A.R. Form RPA to disclose known insurance claims made during the past five years (C.A.R. Form SPQ or ESD). Sellers may not be aware of claims prior to their ownership. If Buyer wants further information, Broker(s) recommend that, during Buyer's inspection contingency period, Buyer conduct his or her own investigation for past claims. Buyer may need to obtain Seller's consent in order to have access to certain investigation reports. If the Property is a condominium, or is located in a planned unit development or other common interest subdivision, Buyer and Seller are advised to determine if the individual unit is covered by the Homeowner's Association Insurance and the type of insurance coverage that Buyer may purchase. Broker(s) recommend that Buyer consult Buyer's insurance agents during Buyer's inspection contingency period to determine the need, availability and possibility of securing any and all forms of other insurance or coverage or any conditions imposed by insurer as a requirement of issuing insurance. If Buyer does any repairs to the property during the escrow period or Buyer takes possession prior to Close of Escrow or Seller remains in possession after Close of Escrow, whether for a limited or extended period of time, Broker(s) recommend that Buyer and Seller each consult with their own insurance agent regarding insurance or coverage that could protect them in the transaction (including but not limited to: personal property, flood, earthquake, umbrella and renter's). Buyer and Seller are advised that traditional title insurance generally protects Buyer's title acquired through the sale of the property. While all title insurance policies, as do all insurance policies, contain some exclusions, some title insurance policies contain exclusions for any liability arising from a previous foreclosure. This can occur when a short sale has occurred but the lender mistakenly has also proceeded with a foreclosure. Buyer is strongly advised to consult with a title insurer to satisfy themselves that the policy to be provided adequately protects their title to the property against other possible claimants. Brokers do not have expertise in this area.
9. **LAND LEASE:** Buyer and Seller are advised that certain developments are built on leased land. This means that: (i) Buyer does not own the land, (ii) the right to occupy the land will terminate at some point in time, (iii) the cost to lease the land may increase at some point in the future, and (iv) Buyer may not be able to obtain title insurance or may have to obtain a different type of title insurance. If Buyer wants further information, Broker recommends that Buyer discuss the issue with an attorney or other appropriate professional. Brokers do not have expertise in this area.

SBSA REVISED 8/18 (PAGE 6 OF 14)

STATEWIDE BUYER AND SELLER ADVISORY (SBSA PAGE 6 OF 14)

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- 10. MARIJUANA, CANNABIS, AND METHAMPHETAMINE LABS:** Buyer and Seller are advised that California law permits individual patients to cultivate, possess and use marijuana for medical purposes. Furthermore, California law permits primary caregivers, lawfully organized cooperatives, and collectives to cultivate, distribute and possess marijuana for medicinal purposes. California law also allows recreational use of marijuana for adults, as well as limited rights for individuals to grow and cultivate marijuana, and rights of others, subject to a licensing process, to grow, cultivate and distribute marijuana for recreational use. California's medical and recreational marijuana laws are in direct conflict with federal law which recognizes no lawful use for marijuana and has no exemptions for medical use. Federal criminal penalties, some of which mandate prison time, remain in effect for the possession, cultivation and distribution of marijuana. Buyer and Seller are strongly advised to seek legal counsel as to the legal risks and issues surrounding owning or purchasing a property where medical or any other marijuana activity is taking place. Marijuana storage, cultivation and processing carry the risk of causing mold, fungus or moisture damage to a property; additionally, some properties where marijuana has been cultivated have had alterations to the structure or the electrical system which may not have been done to code or with permits and may affect the safety of the structure or the safe operation of the electrical system. Buyer is strongly advised to retain an environmental hygienist contractor and other appropriate professionals to inspect a property where medical or any other marijuana activity has taken place. Broker recommends that Buyer and Seller involved with a property where there is medical marijuana activity or where it may take place review the California Attorney General's Guidelines for the "Security and Non-Diversion of Marijuana Grown for Medical Use" <https://oag.ca.gov/system/files/attachments/press-docs/MEDICINAL%20CANNABIS%20Guidelines.pdf> and the U.S. Department of Justice memo regarding marijuana prosecutions at <https://www.justice.gov/opa/press-release/file/1022196/download>. Brokers do not have expertise in this area. While no state law permits the private production of methamphetamine, some properties have been the site of an illegal methamphetamine laboratory. State law imposes an obligation to notify occupants, a ban on occupying the property and clean up requirements when authorities identify a property as being contaminated by methamphetamine. Buyer is advised that a property where methamphetamine has been produced may pose a very serious health risk to occupants. Buyer is strongly advised to retain an environmental hygienist contractor or other appropriate professionals to inspect the property if methamphetamine production is suspected to have taken place. Brokers do not have expertise in this area.
- 11. OWNER'S TITLE INSURANCE:** The Truth in Lending/RESPA integrated disclosure (TRID) established by the Consumer Financial Protection Bureau (CFPB) requires that lenders must tell borrowers that title insurance is "optional." While obtaining an owner's policy of title insurance may be "optional", it may be a contractual requirement as between Buyer and Seller. Furthermore, California Civil Code § 1057.8 requires that Buyers be provided with the following notice: "IMPORTANT: IN A PURCHASE OR EXCHANGE OF REAL PROPERTY, IT MAY BE ADVISABLE TO OBTAIN TITLE INSURANCE IN CONNECTION WITH THE CLOSE OF ESCROW SINCE THERE MAY BE PRIOR RECORDED LIENS AND ENCUMBRANCES WHICH AFFECT YOUR INTEREST IN THE PROPERTY BEING ACQUIRED. A NEW POLICY OF TITLE INSURANCE SHOULD BE OBTAINED IN ORDER TO ENSURE YOUR INTEREST IN THE PROPERTY THAT YOU ARE ACQUIRING."
- Additionally, even the CFPB on its "ask CFPB" "What is owner's title insurance?" page advises "You may want to buy an owner's title insurance policy, which can help protect your financial interest in the home." Moreover, not obtaining an owner's policy may increase the cost of the lender's policy (required by most lenders), possibly require the separate purchase of a preliminary title report, and may have an impact on the sale of the Property in the future.
- Buyers who decide to opt out of obtaining an owner's title insurance policy are acting against the advice of Brokers as well as the advice provided in the California Civil Code 1057.8 and by the CFPB. Brokers do not have expertise in this area.
- 12. RENT AND EVICTION CONTROL LAWS AND ORDINANCES:** Buyer and Seller are advised that California and some cities and counties impose or may impose restrictions that limit the rent that can be charged to a tenant, the maximum number of tenants who can occupy the property, the right of a landlord to terminate a tenancy and the costs to do so. If Buyer wants further information, Broker(s) recommend that Buyer investigate the issue with an appropriate government authority or HOA during Buyer's inspection contingency period. Brokers do not have expertise in this area.
- 13. RETROFIT, BUILDING REQUIREMENTS, AND POINT OF SALE REQUIREMENTS:** Buyer and Seller are advised that state and local Law may require (i) the installation of operable smoke detectors, (ii) bracing or strapping of water heaters, and (iii) upon sale completion of a corresponding written statement of compliance that is delivered to Buyer. Although not a point of sale, or retrofit obligation, state law may require the property to have operable carbon monoxide detection devices. Additionally, some city and county governments may impose additional retrofit standards at time of sale including, but not limited to, installing or retrofitting low-flow toilets and showerheads, gas shut-off valves, fireplaces, and tempered glass. Further, there may be potential health impacts from air pollution caused from burning wood. Exposure to particulate matter from the smoke may cause short-term and long-term health effects. Buyers should consult with licensed professional to inspect, properly maintain, and operate a wood burning stove or fireplace. Broker(s) recommend that Buyer and Seller consult with the appropriate government agencies, inspectors, and other professionals to determine the retrofit standards for the Property, the extent to which the Property complies with such standards, and the costs, if any, of compliance. Brokers do not have expertise in this area.

SBSA REVISED 6/18 (PAGE 7 OF 14)

STATEWIDE BUYER AND SELLER ADVISORY (SBSA PAGE 7 OF 14)

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14. **SHORT TERM RENTALS AND RESTRICTIONS:** Buyer and Seller are advised that some cities, counties and Homeowner Associations (HOAs) do impose or may impose restrictions that limit or prohibit the right of the owner or occupant to rent-out the Property for short periods of time (usually 30 Days or less). In short term rentals, as well as all rentals, Buyer and Seller are advised to seek assistance to ensure compliance with all fair housing laws and regulations. If Buyer wants further information, Broker(s) recommend that Buyer investigate the issue with an appropriate government authority or HOA during Buyer's inspection contingency period. Brokers do not have expertise in this area.
15. **VIEWS:** Buyer and Seller are advised that present views from the Property may be affected by future development or growth of trees and vegetation on adjacent properties and any other property within the line of sight of the Property. Brokers make no representation regarding the preservation of existing views. If Buyer wants further information, Broker(s) recommend that Buyer review covenants, conditions and restrictions, if any, and contact neighboring property owners, government agencies and homeowner associations, if any, during Buyer's inspection contingency period. Brokers do not have expertise in this area.
16. **SWIMMING POOL, SECURITY AND SAFETY:** Buyer and Seller are advised that state and local Law may require the installation of barriers, anti-entrapment grates, access alarms, self-latching mechanisms, pool covers, exit alarms and/or other measures to decrease the risk to children and other persons of existing swimming pools and hot tubs, as well as various fire safety and other measures concerning other features of the Property. Compliance requirements differ from city to city and county to county. Unless specifically agreed, the Property may not be in compliance with these requirements. If Buyer wants further information, Broker(s) recommend that Buyer contact local government agencies about these restrictions and other requirements. State law requires that new pools and spas be equipped with at least two of seven specified drowning prevention safety features. Home inspectors have a statutory obligation to perform a noninvasive physical examination of the pool area to identify which safety features are present. Brokers do not have expertise in this area.
17. **WATER SHORTAGES AND CONSERVATION:** Buyer and Seller are advised that the Property may be located in an area that could experience water shortages. The policies of local water districts and the city or county in which the Property is located can result in the occurrence of any or all of the following: (i) limitations on the amount of water available to the Property, (ii) restrictions on the use of water, and (iii) an increasingly graduated cost per unit of water use, including, but not limited to, penalties for excess usage. For further information, Broker recommends that Buyer contact the supplier of water to the Property regarding the supplier's current or anticipated policies on water usage and to determine the extent to which those policies may affect Buyer's intended use of the Property. If the Property is serviced by a private well, Buyer is advised that drought conditions and/or a low water table may make it necessary to arrange, through a private supplier, for delivery of water to the Property. Buyers should contact water truck companies for the costs involved. Brokers do not have expertise in this area.
18. **1915 IMPROVEMENT BOND MELLO-ROOS COMMUNITY DISTRICT, AND OTHER ASSESSMENT DISTRICTS:** Buyer and Seller are advised that the Property may be subject to an improvement bond assessment under the Improvement Bond Act of 1915, a levy of a special tax pursuant to a Mello-Roos Community Facilities district, and/or a contractual assessment as provided in Section 5898.24 of the Streets And Highways Code or other assessment districts. Seller is generally required to make a good faith effort to obtain a disclosure notice from any local agency collecting such taxes and deliver such notice to Buyers. If there is a question as to whether an existing bond or assessment will be prorated as of the close of escrow, or whether Seller will pay off the bond or assessment at close of escrow, Buyers are advised to discuss the matter with the appropriate entity and address the responsibility for payment in negotiations for the purchase agreement or amendment prior to removing contingencies. Some cities and other localities have begun, or have the intention to begin, the process of requiring the replacement of utility poles by requiring that utility lines be buried underground. These projects can result in special tax assessments and set-up costs that are imposed on individual property owners. Brokers do not have expertise in this area.

## C. Off-Site and Neighborhood Conditions

1. **GOLF COURSE DISCLOSURES:** Buyer and Seller are advised that if the Property is located adjacent to or near a golf course the following may apply: (i) Stray golf balls - Any residence near a golf course may be affected by errant golf balls, resulting in personal injury or destruction to property. Golfers may attempt to trespass on adjacent property to retrieve golf balls even though the project restrictions may expressly prohibit such retrieval. (ii) Noise and lighting - The noise of lawn mowers irrigation systems and utility vehicles may create disturbances to homeowners. Maintenance operations may occur in the early morning hours. Residents living near the clubhouse may be affected by extra lighting, noise, and traffic. (iii) Pesticides and fertilizer use - A golf course may be heavily fertilized, as well as subjected to other chemicals during certain periods of the year. (iv) Irrigation system - Golf course sprinkler systems may cause water overspray upon adjacent property and structures. Also the irrigation system of a golf course may use reclaimed and retreated wastewater. (v) Golf carts - Certain lots may be affected more than others by the use of golf carts. Lots adjacent to a tee or putting green may be subject to noise disturbances and loss of privacy. (vi) Access to golf course from residences - It is likely that most residences will not have direct access from their lots to the golf course. The project restrictions may disclaim any right of access or other easements from a resident's lot onto the golf course. (vii) View obstruction - Residents living near a golf course may have their views over the golf course impacted by maturing trees and landscaping or by changes to the course's configuration. (viii) Water restrictions - As some municipalities face water shortages, the continued

SBSA REVISED 8/18 (PAGE 8 OF 14)

STATEWIDE BUYER AND SELLER ADVISORY (SBSA PAGE 8 OF 14)

Prepared with: Carol Wolf, Broker/Associate (905) 709-1100, 211 Sheppard Ave. East, Toronto, Ontario M2N 1L6 Anna Wolf.com

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availability of water to the golf course may be restricted or otherwise reduced by the local water agency. If Buyer wants further information, Broker(s) recommend that Buyer contact the local water agency regarding this matter. Brokers do not have expertise in this area.

2. **NEIGHBORHOOD, AREA, PERSONAL FACTORS, BUYER INTENDED USE, HIGH SPEED RAILS, AND SMOKING RESTRICTIONS:** Buyer and Seller are advised that the following may affect the Property or Buyer's intended use of it: neighborhood or area conditions, including schools, proximity and adequacy of law enforcement, crime, fire protection, other government services, availability, adequacy and cost of any speed-wired, wireless internet connections or other telecommunications or other technology services and installations, proximity to medical marijuana growing or distribution locations, cell phone towers, manufacturing, commercial, industrial, airport or agricultural activities or military ordnance locations, existing and proposed transportation, construction, and development, any other source that may affect noise, view, traffic, or odor, wild and domestic animals, susceptibility to tsunami and adequacy of tsunami warnings, other nuisances, hazards, or circumstances, protected species, wetland properties, botanical diseases, historic or other governmentally-protected sites or improvements, cemeteries, conditions and influences of significance to certain cultures and/or religions, and personal needs, requirements and preferences of Buyer and FAA requirements for recreational and non-recreational use of Unmanned Aircraft Systems (UAS) (drones) (see UAS frequently asked questions <http://www.faa.gov/uas/faqs/>). California is potentially moving toward high speed rail service between Northern and Southern California. This rail line could have an impact on the Property if it is located nearby. More information on the timing of the project and routes is available from the California High-Speed Rail Authority at [www.cahighspeedrail.ca.gov/](http://www.cahighspeedrail.ca.gov/). The State of California has long-standing no smoking laws in place restricting smoking in most business and some public spaces. Local jurisdictions may enact laws that are more restrictive than state law. Many California cities have enacted restrictions on smoking in parks, public sidewalks, beaches and shopping areas. Some jurisdictions have restrictions entirely banning smoking inside privately owned apartments and condominiums as well as in the common areas of such structures, or limiting smoking to certain designated areas. If Buyer wants further information, Broker(s) recommend that Buyer contact local government agencies about these restrictions. Brokers do not have expertise in this area.
3. **NEIGHBORHOOD NOISE SOURCES:** Buyer and Seller are advised that even if the Property is not in an identified airport noise influence area, the Property may still be subject to noise and air disturbances resulting from airplanes and other aircraft, commercial or military or both, flying overhead. Other common sources of noise include nearby commercial districts, schools, traffic on streets, highways and freeways, trains and general neighborhood noise from people, dogs and other animals. Noise levels and types of noise that bother one person may be acceptable to others. Buyer is advised to satisfy him/herself with regard to any sources of and amounts of noise at different times of day and night. Brokers do not have expertise in this area.
4. **SCHOOLS:** Buyer and Seller are advised that children living in the Property may not, for numerous reasons, be permitted to attend the school nearest the Property. Various factors including, but not limited to, open enrollment policies, busing, overcrowding and class size reductions may affect which public school serves the Property. School district boundaries are subject to change. Buyer is advised to verify whether the Property is now, and at the Close of Escrow will be, in the school district Buyer understands it to be in and whether residing in the Property entitles a person to attend any specific school in which that Buyer is interested. Broker(s) recommend that Buyer contact the local school or school district for additional information during Buyer's inspection contingency period. Brokers do not have expertise in this area.
5. **UNDERGROUND PIPELINES AND UTILITIES:** Throughout California underground pipelines transport natural gas, liquid fuel and other potentially hazardous materials. These pipelines may or may not provide utility services to the Property. Information about the location of some of the pipelines may be available from a company that also provides disclosures of natural and other hazards or from other sources of public maps or records. Proximity to underground pipelines, in and of itself, does not affirmatively establish the risk or safety of the property. If Buyer wants further information about these underground pipelines and utilities, Buyer is advised to consult with appropriate experts during Buyer's inspection contingency period. Brokers do not have expertise in this area.

## D. Legal Requirements (Federal, State and Local)

1. **DEATH ON THE PROPERTY:** California Civil Code Section 1710.2 protects a seller from: (i) failing to disclose a death on the property that occurred more than 3 years before a buyer has made an offer on a property; and (ii) failing to disclose if an occupant of a property was afflicted with HIV/AIDS, regardless of whether a death occurred or if so, when. Section 1710.2 does not protect a seller from making a misrepresentation in response to a direct inquiry. If the Buyer has any concerns about whether a death occurred on the Property or the manner, location, details or timing of a death, the buyer should direct any specific questions to the Seller in writing. Brokers do not have expertise in this area.
2. **EARTHQUAKE FAULT ZONES AND SEISMIC HAZARD ZONES:** Buyer and Seller are advised that California Public Resources Code Sections 2622 and 2696 require the delineation and mapping of "Earthquake Fault Zones" along known active faults and "Seismic Hazard Zones" in California. Affected cities and counties must regulate certain development projects within these zones. Construction or development on affected properties may be subject to the findings of a geological report prepared by a registered California geologist. Generally, Seller must disclose if the Property is in such a zone and can use a research company to aid in the process. If Buyer wants further information, Broker recommends that, during Buyer's inspection contingency period, Buyer make independent inquiries with such research companies or

SBSA REVISED 6/18 (PAGE 9 OF 14)

STATEWIDE BUYER AND SELLER ADVISORY (SBSA PAGE 9 OF 14)

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with appropriate government agencies concerning the use and improvement of the Property. Buyer is advised that there is a potential for earthquakes and seismic hazards even outside designated zones. Brokers do not have expertise in this area.

3. **EPA's LEAD-BASED PAINT RENOVATION, REPAIR AND PAINTING RULE:** The new rule requires that contractors and maintenance professionals working in pre-1978 housing, child care facilities, and schools with lead-based paint be certified; that their employees be trained; and that they follow protective work practice standards. The rule applies to renovation, repair, or painting activities affecting more than six square feet of lead-based paint in a room or more than 20 square feet of lead-based paint on the exterior. Enforcement of the rule begins October 1, 2010. See the EPA website at <http://www.epa.gov/lead> for more information. Buyer and Seller are advised to consult an appropriate professional. Brokers do not have expertise in this area.
4. **FIRE HAZARDS:** Buyer and Seller are advised that fires annually cause the destruction of thousands of homes. Due to varied climate and topography, certain areas have higher risks of fires than others. Certain types of materials used in home construction create a greater risk of fire than others. If the Property is located within a State Fire Responsibility Area or a Very High Fire Hazard Zone, generally Seller must disclose that fact to Buyer under California Public Resources Code Section 4136 and California Government Code Sections 51178 and 51183.5, and may use a research company to aid in the process. Owners of property may be assessed a fire prevention fee on each structure on each parcel in such zones. The fee may be adjusted annually commencing July 1, 2013. If Buyer wants further information, Broker recommends that, during Buyer's inspection contingency period, Buyer contact the local fire department and Buyer's insurance agent regarding the risk of fire. Buyer is advised that there is a potential for fires even outside designated zones. Brokers do not have expertise in this area.
5. **FIRPTA/CALIFORNIA WITHHOLDING:** Buyer and Seller are advised that: (i) Internal Revenue Code Section 1445, as of February 17, 2016, requires a Buyer to withhold and to remit to the Internal Revenue Service 15% of the purchase price of the property if the Seller is a non-resident alien, unless an express exemption applies. Only 10% needs to be withheld if the Buyer acquires the property as Buyer's residence and the price does not exceed \$1,000,000. Seller may avoid withholding by providing Buyer a statement of non-foreign status. The statement must be signed by Seller under penalty of perjury and must include Seller's tax identification number. Buyer can also avoid having to withhold Federal taxes from Seller's Proceeds if the property price is \$300,000 or less, and the Buyer signs an affidavit stating Buyer intends to occupy the property as a principal residence. (ii) California Revenue and Taxation Code Section 18662 requires that a Buyer withhold and remit to the California Franchise Tax Board 3 1/3% of the purchase price of the property unless the Seller signs an affidavit that the property was the Seller's (or the decedent's, if a trust or probate sale) principal residence or that the sales price is \$100,000 or less or another express exemption applies. Exemptions from withholding also apply to legal entities such as corporations, LLCs, and partnerships. Brokers cannot give tax or legal advice. Broker recommends that Buyer and Seller seek advice from a CPA, attorney or taxing authority. Brokers do not have expertise in this area.
6. **FLOOD HAZARDS:** Buyer and Seller are advised that if the Property is located within a Special Flood Hazard Area, as designated by the Federal Emergency Management Agency (FEMA), or an area of Potential Flooding pursuant to California Government Code Section 8589.3, generally Seller must disclose this fact to Buyer and may use a research company to aid in the process. The National Flood Insurance Program was established to identify all flood plain areas and establish flood-risk zones within those areas. The program mandates flood insurance for properties within high-risk zones if loans are obtained from a federally-regulated financial institution or are insured by any agency of the United States Government. The extent of coverage and costs may vary. If Buyer wants further information, Broker(s) recommend that Buyer consult his or her lender and/or insurance agent during Buyer's inspection contingency period. Buyer is advised that there is a potential for flooding even outside designated zones. Brokers do not have expertise in this area.
7. **MEGAN'S LAW DATABASE DISCLOSURE:** Notice: Pursuant to Section 290.46 of the Penal Code, information about specific registered sex offenders is made available to the public via an Internet Web site maintained by the Department of Justice at <http://www.meganslaw.ca.gov/>. Depending on an offender's criminal history, this information will include either the address at which the offender resides or the community of residence and ZIP Code in which he or she resides. (Neither Seller nor Brokers, in any, are required to check this website. If Buyer wants further information, Buyer should obtain information directly from this website.) Brokers do not have expertise in this area.
8. **NOTICE OF YOUR SUPPLEMENTAL PROPERTY TAX BILL; ACCURATE SALES PRICE REPORTING:** Buyer and Seller are advised that pursuant to Civil Code § 1102.6(c), Seller, or his or her agent, is required to provide the following notice to the Buyer:

"California property tax law requires the Assessor to revalue real property at the time the ownership of property changes. Because of this law, you may receive one or two supplemental tax bills, depending on when your loan closes.

The supplemental tax bills are not mailed to your lender. Even if you have arranged for your property tax payments to be paid through an impound account, the supplemental tax bills will not be paid by your lender. It is your responsibility to pay these supplemental bills directly to the Tax Collector. If you have any questions concerning this matter, please call your Tax Collector's Office."

SBSA REVISED 8/18 (PAGE 10 OF 14)

STATEWIDE BUYER AND SELLER ADVISORY (SBSA PAGE 10 OF 14)

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Although the notice refers to loan closing as a trigger, it is actually the change of ownership which triggers this reassessment of property taxes. Therefore, the Property can be reassessed even if there is no loan involved in the purchase of the Property. The Purchase Agreement may allocate supplemental tax bills received after the Close of Escrow to the Buyer. A change (preliminary change) of ownership form is generally required to be filed by the Buyer with the local taxing agency. The form identifies the sales price of the Property. An assessor may value the Property at its fair market value regardless of the sales price declared by the Buyer. If Buyer wants further information concerning these matters, Broker(s) recommend that Buyer discuss the issue with the County Assessor or Tax Collector or their own tax or legal advisor. Brokers do not have expertise in this area.

9. **ZONE MAPS MAY CHANGE:** Maps that designate, among other things, Earthquake Fault Zones, Seismic Hazard Zones, State Fire Responsibility Areas, Very High Fire Hazard Zones, Special Flood Hazard Areas, and Potential Flooding Areas are occasionally redrawn by the applicable Government Agency. Properties that are currently designated in a specified zone or area could be removed and properties that are not now designated in a specified zone or area could be placed in one or more such zones or areas in the future. A property owner may dispute a FEMA flood hazard location by submitting an application to FEMA. Brokers do not have expertise in this area.

## E. Contract Related Issues and Terms

1. **ARBITRATION:** Buyer and Seller are advised that arbitration is a process by which the disputing parties hire a neutral person to render a binding decision. Generally, arbitration is faster and less expensive than resolving disputes by litigating in court. The rules are usually less formal than in court, and it is a private process not a matter of public record. By agreeing to arbitration, the parties give up the right to a jury trial and to appeal the arbitrator's decision. Arbitration decisions have been upheld even when arbitrators have made a mistake as to the law or the facts. If the parties agree to arbitration, then after first attempting to settle the dispute through mediation, any dispute arising out of their agreement (with a few limited exceptions) must be submitted to binding arbitration. Buyer and Seller must weigh the benefits of a potentially quicker and less expensive arbitration against giving up the right to a jury trial and the right to appeal. Brokers cannot give legal advice regarding these matters. Buyers and Sellers must decide on their own, or with the advice of legal counsel, whether to agree to arbitration. Brokers do not have expertise in this area.
2. **ELECTRONIC SIGNATURES:** The ability to use electronic signatures to sign legal documents is a great convenience, facilitating the ability to send and receive documents and reach agreement in a real estate transaction. However, Buyers and Sellers are cautioned to carefully read each provision. Arrows indicating "sign here" are merely there for the convenience of finding the next signature line. Only sign if you have taken the time necessary to read each document thoroughly, have full knowledge, and consent to the terms provided in the document. Brokers strongly advise Buyers and Sellers to read the entire document before signing even if they have reviewed an earlier draft. Do not just scroll through or skip to the next signature line. You are signing a legally binding agreement. Read it carefully. Ask your Broker, Agent or legal advisor if you have questions or do not understand a provision, and sign only if you agree to be bound by the terms. Brokers do not have expertise in this area.
3. **ESCROW FUNDS:** Buyer and Seller are advised that California Insurance Code Section 12413.1 provides that escrow companies cannot disburse funds unless there are sufficient "good funds" to cover the disbursement. "Good funds" are defined as cash, wire transfers and cashiers' or certified checks drawn on California depositories. Escrow companies vary in their own definitions of "good funds." Broker(s) recommend that Buyer and Seller ask the escrow company regarding its treatment of "good funds." All samples and out-of-state checks are subject to waiting periods and do not constitute "good funds" until the money is physically transferred to and received by the escrow holder. Brokers do not have expertise in this area.
4. **HOME WARRANTY:** Buyer and Seller are advised that Buyer and Seller can purchase home warranty plans covering certain standard systems of the Property both before and after Close of Escrow. Seller can obtain coverage for the Property during the listing period. For an additional premium, an upgraded policy providing additional coverage for air conditioning, pool and spa and other features can be purchased. Home warranties do not cover every aspect of the Property and may not cover inspections or upgrades for repairs required by state or federal laws or pre-existing conditions. Broker(s) recommend that Buyer review the policy for details. Brokers do not have expertise in this area.
5. **IDENTIFICATION OF NATURAL PERSONS BEHIND SHELL COMPANIES IN ALL-CASH TRANSACTIONS:** The U.S. Treasury Department's Financial Crimes Enforcement Network (FinCEN) has issued Geographic Targeting Orders (GTOs) targeting alleged money laundering risk in the real estate sector. The GTOs will temporarily require U.S. title insurance companies to identify the natural persons behind shell companies used to pay "all cash" for high-end residential real estate in certain major metropolitan areas. FinCEN explained that it remains concerned that all-cash purchases (i.e., those without bank financing) may be conducted by individuals attempting to hide their assets and identity by purchasing residential properties through limited liability companies or other similar structures. Since the original issuance, the GTOs have been renewed and may continue to be renewed. The GTOs cover the following areas in California: Los Angeles, San Francisco, San Mateo, Santa Clara and San Diego Counties. The monetary thresholds for each county is \$300,000. GTOs have helped law enforcement identify possible illicit activity. FinCEN reported that a significant portion of covered transactions have dictated possible criminal activity associated with the individuals reported to be the beneficial owners behind shell company purchasers. Brokers do not have expertise in this area.

SBSA REVISED 6/18 (PAGE 11 OF 14)

STATEWIDE BUYER AND SELLER ADVISORY (SBSA PAGE 11 OF 14)

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6. **LIQUIDATED DAMAGES:** Buyer and Seller are advised that a liquidated damages clause is a provision Buyer and Seller can use to agree in advance to the amount of damages that a seller will receive if a buyer breaches the Agreement. The clause usually provides that a seller will retain a buyer's initial deposit paid if a buyer breaches the agreement, and generally must be separately initiated by both parties and meet other statutory requirements to be enforceable. For any additional deposits to be covered by the liquidated damages clause, there generally must be another separately signed or initialed agreement (see C.A.R. Form RID). However, if the Property contains from 1 to 4 units, one of which a buyer intends to occupy, California Civil Code Section 1875 limits the amount of the deposit subject to liquidated damages to 3% of the purchase price. Even though both parties have agreed to a liquidated damages clause, an escrow company will usually require either a judge's or arbitrator's decision or instructions signed by both parties in order to release a buyer's deposit to a seller. Buyers and Sellers must decide on their own, or with the advice of legal counsel, whether to agree to a liquidated damages clause. Brokers do not have expertise in this area.
7. **MEDIATION:** Buyer and Seller are advised that mediation is a process by which the parties hire a neutral person to facilitate discussion and negotiation between the parties with the goal of helping them reach a settlement of their dispute. The parties generally share in the cost of this confidential, non-binding negotiation. If no agreement is reached, either party can pursue further legal action. Under C.A.R. Form RPA-CA: (i) the parties must mediate any dispute arising out of their agreement (with a few limited exceptions, such as matters within the jurisdiction of a small claims court) before they resort to arbitration or court, and (ii) if a party proceeds to arbitration or court without having first attempted to mediate the dispute, that party risks losing the right to recover attorney fees and costs even if he or she prevails. Brokers do not have expertise in this area.
8. **NON CONFIDENTIALITY OF OFFERS:** Buyer is advised that Seller or Listing Agent may disclose the existence, terms, or conditions of Buyer's offer, unless all parties and their agent have signed a written confidentiality agreement (such as C.A.R. Form CND). Whether any such information is actually disclosed depends on many factors, such as current market conditions, the prevailing practice in the real estate community, the Listing Agent's marketing strategy and the instructions of the Seller. Brokers do not have expertise in this area.
9. **ONLINE OR WIRE FUNDS TRANSFERS:** Instructions for the online or wire transfer of escrow deposits have been known to be intercepted by hackers who alter them so that Buyer's funds are actually wired to accounts controlled by criminals rather than the escrow company. Buyers should exercise extreme caution in making electronic funds transfers, verifying that the organization they are transferring funds to is, in fact, the escrow company and that their own bank account information is not being exposed. See C.A.R. Form WFA for further information. Brokers do not have expertise in this area.

## F. Other Factors Affecting Property

1. **COMMUNITY ENHANCEMENT AND PRIVATE TRANSFER FEES:** Buyer and Seller are advised that some areas or communities may have enhancement fees or user-type fees, or private transfer taxes and fees, over and above any stated fees. The Federal Housing Finance Agency has issued a rule that prohibits Fannie Mae and Freddie Mac from purchasing loans made on properties with private transfer fees if those fees were established on or after February 8, 2011. See title 12 Code of Federal Regulations Section 1228 for more information and exceptions. Private transfer fees: (i) may last for a fixed period of time or in perpetuity, (ii) are typically calculated as a percentage of the sales price, and (iii) may have private parties, charitable organizations or interest-based groups as their recipients who may use the funds for social issues unrelated to the property. Brokers do not have expertise in this area.
2. **GENERAL RECALL/DEFECTIVE PRODUCT/CLASS ACTION INFORMATION:** Buyer and Seller are advised that government entities and manufacturers may at any time issue recall notices and/or warnings about products that may be present in the Property, and that these notices or warnings can change. The following nonexclusive, non-exhaustive list contains examples of recalled/defective products/class action information: horizontal furnaces; Whirlpool Microwave Hood Combination; RE-ConBuilding products roof tiles; Central Sprinkler Company Fire Sprinklers; Robert Shaw Water Heater Gas Control Valves; Trex Decking; water heaters; aluminum wiring; galvanized, abs, polybutylene PEX, KITEC® and copper pipe; and dry wall manufactured in China. There is no single, all-inclusive source of information on product recalls, defective products or class actions; however, the U.S. Consumer Product Safety Commission (CPSC) maintains a website that contains useful information. If Buyer wants further information regarding the items listed above, Broker(s) recommend that Buyer review the CPSC website at <http://www.cpsc.gov/> during Buyer's inspection contingency period. Another source affiliated with the CPSC is <http://saferproducts.gov/> which allows a Buyer to search by product type or product name. Buyer may also search using the various search engines on the Internet for the specified product or products in question. Brokers recommend that Buyer satisfy themselves regarding recalled or defective products. Brokers will not determine if any aspect of the Property is subject to a recall or is affected by a class action lawsuit. Brokers do not have expertise in this area.

SBSA REVISED 8/13 (PAGE 12 OF 14)

STATEWIDE BUYER AND SELLER ADVISORY (SBSA PAGE 12 OF 14)

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3. **HOMEOWNER ASSOCIATIONS AND COVENANTS, CONDITIONS AND RESTRICTIONS ("CC&Rs"); CHARGING STATIONS; FHA/VA APPROVAL:** Buyer and Seller are advised that if the Property is a condominium, or located in a planned unit development, or in a common interest subdivision, there are typically restrictions on use of the Property and rules that must be followed. Restrictions and rules are commonly found in Declarations and other governing documents. Further there is likely to be a homeowner association (HOA) that has the authority to affect the Property and its use. Whether or not there is a HOA, the Property may still be subject to CC&Rs restricting use of the Property. The HOA typically has the authority to enforce the rules of the association, assess monetary payments (both regular monthly dues and special assessments) to provide for the upkeep and maintenance of the common areas, and enforce the rules and assessment obligations. If you fail to abide by the rules or pay monies owed to the HOA, the HOA may put a lien against your Property. Additionally, if an electric vehicle charging station is installed in a common area or an exclusive use common area, each Seller whose parking space is on or near that charging station must disclose its existence and that the Buyer will have the responsibilities set forth in California Civil Code §4745. The law requires the Seller to provide the Buyer with the CC&Rs and other governing documents, as well as a copy of the HOA's current financial statement and operating budget, among other documents. Effective July 1, 2016, a Common Interest Development (CID) will be required to include in its annual budget report a separate statement describing the status of the CID as a Federal Housing Administration or Department of Veterans Affairs approved Development. While the purchase agreement and the law require that the annual budget be provided by Seller to Buyer, Brokers will not and cannot verify the accuracy of information provided by the CID. Buyer is advised to carefully review all HOA documents provided by Seller and the CC&Rs, if any, and satisfy him/herself regarding the use and restrictions of the Property, the amount of monthly dues and/or assessments, the adequacy of reserves, current and past insurance coverage and claims, and the possibility of any legal action that may be taken by or against the HOA. The HOA may not have insurance or may not cover personal property belonging to the owner of the unit in the condominium, common interest or planned unit development. For more information Buyer may request from Broker the C.A.R. Legal Q&A titled: "Homeowners' Associations: A Guide for REALTORS®". Brokers do not have expertise in this area.
4. **LEGAL ACTION:** Buyer and Seller are advised that if Seller or a previous owner was involved in a legal action (litigation or arbitration) affecting the Property, Buyer should obtain and review public and other available records regarding the legal action to determine: (i) whether the legal action or any resolution of it affects Buyer and the Property, (ii) if any rights against any parties involved in the legal action survive the legal action or have been terminated or waived as a result of the legal action, whether or not involving the same issue as in the legal action, and (iii) if any recommendations or requirements resulting from the legal action have been fulfilled and, if so, that Buyer is satisfied with any such action. Buyer should seek legal advice regarding those matters. Brokers do not have expertise in this area.
5. **MARKETING; INTERNET ADVERTISING; INTERNET BLOGS; SOCIAL MEDIA:** Buyer and Seller are advised that Broker may employ a "staging" company to assist in the presentation of the Property. The furnishings and decorations in the staging are generally not included in the sale unless specifically noted in the Agreement. Statements and inclusion in the MLS entry, flyers, and other marketing materials are NOT part of the Agreement. In addition, Broker may employ a service to provide a "virtual tour" or "virtual staging" or Internet marketing of the Property, permitting potential buyers to view the Property over the Internet. While they are supposed to be an accurate representation of the property, the photos may be enhanced and not fully representative of the actual condition of the property. Further, neither the service provider nor Broker have total control over who will obtain access to materials placed on the Internet or what action such persons might take. Additionally, some Internet sites and other social media provide formats for comments or opinions of value of properties that are for sale. Information on the Property, or its owner, neighborhood, or any homeowner association having governance over the Property may be found on the Internet on individual or commercial web sites, blogs, Facebook-pages, or other social media. Any such information may be accurate, speculative, truthful or lies, and it may or may not reflect the opinions or representations by the Broker. Broker will not investigate any such sites, blogs, social media or other Internet sites or the representations contained therein. Buyer is advised to make an independent search of electronic media and online sources prior to removing any investigation contingency. Buyer and Seller are advised that Broker has no control over how long the information or photos concerning the Property will be available on the Internet or through social media, and Broker will not be responsible for removing any such content from the Internet or MLS. Brokers do not have expertise in this area.
6. **PACE LOANS AND LIENS:** The acronym PACE stands for Property Assessed Clean Energy. PACE programs allow property owners to finance energy and water conservation improvements and pay for them through an assessment on the owner's property. PACE programs are available in most areas for both residential one to four unit properties and commercial properties. PACE programs may be referred to by different names such as HERO or SCEIP, among others. If a PACE project is approved, an assessment lien is placed on a property for the amount owed plus interest. A property owner repays the entity for the improvements as a special tax assessment on the property tax bill over a period of years. A PACE lien is similar to a property tax lien in that it has "super priority." Sellers are obligated to disclose, pursuant to the C.A.R. Residential Purchase Agreement (C.A.R. Form RPA), whether any improvement is subject to a lien such as a PACE lien. Properties that are subject to PACE liens made on or after July 6, 2010 may not be eligible for financing. For more information, Buyer may request from Broker the C.A.R. Legal Q&A titled: "PACE Programs and Solar Leases". Brokers do not have expertise in this area.

SBSA REVISED 6/18 (PAGE 13 OF 14)

STATEWIDE BUYER AND SELLER ADVISORY (SBSA PAGE 13 OF 14)

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7. **RE-KEYING:** All locks should be re-keyed immediately upon close of escrow so as to ensure the Buyer's safety and security of their persons as well as their personal belongings. Alarms, if any, should be serviced by professionals and codes should be changed. Garage door openers and remotes should be re-coded. In the event of a lease back to Seller after the close of escrow, Seller is advised that the Buyer is entitled to the keys as the Owner of the Property even though the Seller stays in possession of the Property as provided in the RPA.
8. **SOLAR PANEL LEASES:** Solar panel or power systems may be owned or leased. Although leased systems are probably personal property, they are included in the sale by the C.A.R. purchase agreement which also obligates the Seller to make a disclosure to the Buyer and provide the Buyer with documentation concerning the lease and system. Leasing companies generally secure payments by filing a UCC-1 (a Uniform Commercial Code form giving notice of a creditor's security interest) against the property. Buyers are given a contingency right to investigate the solar related system and documentation and assume any lease. Assumption of the lease may require Buyer to provide financial information to the leasing company who may require a credit report be obtained on the Buyer. Should a solar panel or power system be on the Property, Buyers should determine if the system is leased or owned. Buyers willingness to assume any such lease is a contingency in favor of Seller. For more information, Buyer may request from Broker the C.A.R. Legal Q&A titled: "PACE Programs and Solar Leases". Brokers do not have expertise in this area.
9. **RECORDING DEVICES:** Audio or video recording devices or both may be present on the Property, whether or not notice of any such devices has been posted. Seller may or may not even be aware of the capability of such devices.

## G. Local Disclosures and Advisories

### 1. LOCAL ADVISORIES OR DISCLOSURES (IF CHECKED):

The following disclosures or advisories are attached:

- A. ☒ Local Area Disclosures for Greater Palm Springs and Coachella Valley
- B. ☒ Wildfire Disaster Advisory (C.A.R. form WDAF)
- C. ☐
- D. ☐

Buyer and Seller are encouraged to read all 14 pages of this Advisory carefully. By signing below, Buyer and Seller acknowledge that each has read, understands and received a copy of all 14 pages of this Advisory.

BUYER [Signature] Bryan Burch Date 1/11/2021

BUYER [Signature] Mark Wensef Date 1/11/2021

(Address) 314 NE 61 Ave, Portland, OR 97213

SELLER [Signature] Kevin Nerl Date \_\_\_\_\_

SELLER \_\_\_\_\_ Date \_\_\_\_\_

(Address) \_\_\_\_\_

Real Estate Broker (Selling Firm) Town Real Estate DRE Lic. # 01878523

By Geoffrey Moore DRE Lic. # 01942291 Date 1/11/2021

Address PO Box 5297 City Palm Springs State CA Zip 92263

Telephone (760)641-5689 Fax (760)406-5685 Email geoff@geoffmoore.com

Real Estate Broker (Listing Firm) Lido Pacific Asset Mgmt. DRE Lic. # 00529557

By Richard Feldman DRE Lic. # 00529557 Date \_\_\_\_\_

Address 3857 Birch St. Ste.480 City Newport Beach State CA Zip 92660

Telephone (949)500-8324 Fax \_\_\_\_\_ Email lidopacmgmt@aol.com

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## PROOF OF SERVICE OF DOCUMENT

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is:  
**100 Spectrum Center Drive, Suite 600, Irvine, CA 92618**

A true and correct copy of the foregoing document entitled (*specify*): **NOTICE OF SALE OF ESTATE PROPERTY** will be served or was served **(a)** on the judge in chambers in the form and manner required by LBR 5005-2(d); and **(b)** in the manner stated below:

**1. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF):** Pursuant to controlling General Orders and LBR, the foregoing document will be served by the court via NEF and hyperlink to the document. On (*date*) **February 16, 2021**, I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following persons are on the Electronic Mail Notice List to receive NEF transmission at the email addresses stated below:

☒ Service information continued on attached page

**2. SERVED BY UNITED STATES MAIL:**

On (*date*) **February 16, 2021**, I served the following persons and/or entities at the last known addresses in this bankruptcy case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States mail, first class, postage prepaid, and addressed as follows. Listing the judge here constitutes a declaration that mailing to the judge will be completed no later than 24 hours after the document is filed.

☒ Service information continued on attached page

**3. SERVED BY PERSONAL DELIVERY, OVERNIGHT MAIL, FACSIMILE TRANSMISSION OR EMAIL** (*state method for each person or entity served*): Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on (*date*) \_\_\_\_\_, I served the following persons and/or entities by personal delivery, overnight mail service, or (for those who consented in writing to such service method), by facsimile transmission and/or email as follows. Listing the judge here constitutes a declaration that personal delivery on, or overnight mail to, the judge will be completed no later than 24 hours after the document is filed.

☐ Service information continued on attached page

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct.

**February 16, 2021**  
Date

**Erlanna Lohayza**  
Printed Name

**/s/ Erlanna Lohayza**  
Signature

### **NEF SERVICE LIST**

- **Chapter 7 Trustee:** Lynda T. Bui (TR) trustee.bui@shulmanbastian.com, C115@ecfbis.com
- **Interested Party:** Sean C Ferry sferry@rasflaw.com, sferry@ecf.courtdrive.com
- **Attorney for Capital One Auto Finance:** Marian Garza ecfnofices@ascensioncapitalgroup.com
- **Attorney for U.S Bank N.A.:** April Harriott bkyecf@rasflaw.com, courtdrive@rasflaw.com, ras@ecf.courtdrive.com, bkyecf@rasflaw.com
- **Attorney for Debtor:** Christopher Hewitt hewittsq@yahoo.com
- **Interested Party:** Brandon J Iskander biskander@shulmanbastian.com, avernon@shulmanbastian.com
- **Interested Party:** Mohammed Lala mohammed.lala@aissolution.com
- **Interested Party:** United States Trustee (RS) ustpreion16.rs.ecf@usdoj.gov

### **U.S. MAIL SERVICE LIST**

#### **Judge's Copy**

U.S. Bankruptcy Court  
Attn: Honorable Wayne Johnson  
3420 Twelfth Street Suite 365  
Riverside, CA 92501

#### **Buyer**

Bryan Burch and Mark Wensel  
314 NE 61 Ave  
Portland, OR 97213

#### **Buyer's Broker**

Geoffrey Moore  
Town Real Estate  
PO Box 5297  
Palm Springs, CA 92263

#### **Lienholder**

U.S. Bank N.A.  
Attn President or Manager Agent  
Attn Bankruptcy Dept  
c/o Ocwen Loan Servicing, LLC  
1661 Worthington Road, Suite 100  
West Palm Beach, FL 33409

#### **Judgment Lienholder**

Ford Motor Credit Company  
c/o MacDowell & Associates, Ltd.  
3636 Birch Street, Suite 290  
Newport Beach, CA 92660

#### **Judgment Lienholder**

Capital One Bank  
c/o Eskanos & Adler, PC  
2325 Clayton Road  
Concord, CA 94520

#### **Judgment Lienholder**

Duran, Loquvam & Robertson  
c/o John A. Quinn-Legal Resources  
3444 Camino Del Rio North #200  
San Diego, CA 92108

#### **Additional Notice for Judgment Lienholder**

Duran, Loquvam & Robertson  
9000 Sunset Blvd.  
West Hollywood, CA 90069

**Tax Collector**

Riverside County Treasurer and Tax Collector  
4080 Lemon Street  
Riverside, CA 92501

**Debtor, Creditors and Parties in Interest**

**DEBTOR**

KEVIN NERI  
555 S. INDIAN TRAIL  
PALM SPRINGS, CA 92264-7622

**NEF - ATTORNEY FOR DEBTOR**

CHRISTOPHER HEWITT  
LAW OFFICE OF CHRISTOPHER  
HEWITT  
74361 HIGHWAY 111, SUITE 7  
PALM DESERT, CA 92260-4125

**NEF - INTERESTED PARTY**

UNITED STATES TRUSTEE (RS)  
3801 UNIVERSITY AVENUE, SUITE 720  
RIVERSIDE, CA 92501-3255

**CREDITOR LISTING**

CAPITAL ONE AUTO FINANCE  
C/O ASCENSION CAPITAL  
GROUP  
P.O. BOX 165028  
IRVING, TX 75016-5028

**CREDITOR LISTING**

EMPLOYMENT DEVELOPMENT  
DEPT.  
BANKRUPTCY GROUP MIC 92E  
P.O. BOX 826880  
SACRAMENTO, CA 94280-0001

**CREDITOR LISTING**

U.S BANK N.A.  
ROBERTSON, ANSCHUTZ & SCHNEID  
P.L.  
6409 CONGRESS AVENUE, SUITE 100  
BOCA RATON, FL 33487-2853

**CREDITOR LISTING**

ACCOUNT RECOVERY  
SERVICES  
ATTN: BANKRUPTCY  
3031 N 114TH ST  
MILWAUKEE, WI 53222-4218

**CREDITOR LISTING**

AD ASTRA RECOVERY  
7330 W 33RD ST STE 118  
WICHITA, KS 67205-9370

**CREDITOR LISTING**

ADVANCE AMERICA  
1717 E CHINO #A-2  
PALM SPRINGS, CA 92262

**CREDITOR LISTING**

ALLIED COLLECTION SERVICES  
8550 BALBOA BLVD  
SUITE 232  
NORTHRIDGE, CA 91325-5806

**CREDITOR LISTING**

AT & T  
PO BOX 537104  
ATLANTA, GA 30353-7104

**CREDITOR LISTING**

BLUE PINE LENDING  
15524 SE MILL PLAIN BLVD STE 200  
VANCOUVER, WA 98684-8928

**CREDITOR LISTING**

CEP AMERICA CALIFORNIA  
PO BOX 582663  
MODESTO, CA 95358-0070

**CREDITOR LISTING**

CMRE  
3075 EAST IMPERIAL HWY  
BREA, CA 92821-6753

**CREDITOR LISTING**

CMRE FINANCIAL SERVICES  
3075 E IMPERIAL HWY  
SUITE 200  
BREA, CA 92821-6753

**CREDITOR LISTING**

CAPITAL ONE AUTO FINANCE  
PO BOX 60511  
CITY OF INDUSTRY, CA 91716-  
0511

**CREDITOR LISTING**

CAPITAL ONE AUTO FINANCE C/O  
AIS PORTFOLIO S  
PO BOX 4360  
HOUSTON, TX 77210-4360

**CREDITOR LISTING**

CAPITAL ONE AUTO FINANCE C/O AIS  
PORTFOLIO SERVICES LP  
4515 N SANTA FE AVE DEPT APS  
OKLAHOMA CITY, OK 73118-7901

**CREDITOR LISTING**

CAPITAL ONE AUTO FINANCE,  
C/O ASCENSION CAPI  
PO BOX 201347  
ARLINGTON, TX 76006-1347

**CREDITOR LISTING**

CASH NET USA  
175 WEST JACKSON STE 1000  
CHICAGO, IL 60604-2863

**CREDITOR LISTING**

CASH NET USA  
PO BOX 3023  
HUTCHINSON, KS 67504-3023

**CREDITOR LISTING**

CENTRAL FINANCIAL CONTROL  
PO BOX 66044  
ANAHEIM, CA 92816-6044

**CREDITOR LISTING**

CHECK INTO CASH OF CA INC  
C/O CANYON PLAZA NORTH II  
67782 E PALM CANYON DR  
STE B102  
CATHEDRAL CITY, CA 92234-5433

**CREDITOR LISTING**

COACHELLA VAL COL SV  
PO BOX 13621  
PALM DESERT, CA 92255-3621



**CREDITOR LISTING**

COLLECTION CONSULTANTS  
PO BOX 29050  
GLENDALE, CA 91209-9050

**CREDITOR LISTING**

CONT CNTL CR/CONTINENTAL  
CENTRAL CREDIT  
PO BOX 131120  
CARLSBAD, CA 92013-1120

**CREDITOR LISTING**

CONTINENTAL CREDIT CTR  
PO BOX 30348  
SANTA BARBARA, CA 93130-0348

**CREDITOR LISTING**

CREDIT BUREAU SERVIC  
PO BOX 73848  
SAN CLEMENTE, CA 92673-0129

**CREDITOR LISTING**

DEPARTMENT OF TREASURY  
INTERNAL REVENUE SERVICE  
PO BOX 7346  
PHILADELPHIA, PA 19101-7346

**CREDITOR LISTING**

DESERT REGIONAL MEDICAL  
CENTER  
FILE #57154  
LOS ANGELES, CA 90074-0001

**CREDITOR LISTING**

ERC/ENHANCED RECOVERY  
CORP  
8014 BAYBERRY RD  
JACKSONVILLE, FL 32256-7412

**CREDITOR LISTING**

EISENHOWER MEDICAL CENTER  
DEPT. NO. 8188  
LOS ANGELES, CA 90084-0001

**CREDITOR LISTING**

EISENHOWER RADIOLOGY MED GRP  
INC  
PO BOX 1584  
INDIANAPOLIS, IN 46206-1584

**CREDITOR LISTING**

FRANCHISE TAX BOARD  
BANKRUPTCY SECTION MS  
A340  
PO BOX 2952  
SACRAMENTO CA 95812-2952

**CREDITOR LISTING**

FORD MOTOR CREDIT CO  
C/O MACDOWELL & ASSOCIATES  
3636 BIRCH STREET, SUITE 290  
NEWPORT BEACH, CA 92660-2656

**CREDITOR LISTING**

GATTUSO POOL CORPORATION  
667 EUGENE ROAD  
PALM SPRINGS, CA 92264-1513

**CREDITOR LISTING**

JONATHAN C LIN  
35900 BOB HOPE DR #275  
RANCHO MIRAGE, CA 92270-  
1767

**CREDITOR LISTING**

LEND UP  
237 KEARNY STREET #372  
SAN FRANCISCO, CA 94108-4502

**CREDITOR LISTING**

M LEONARD & ASSOCIATES  
PO BOX 2339  
VAN NUYS, CA 91404-2339

**CREDITOR LISTING**

MD COLLECTIONS  
PO BOX 73848  
SAN CLEMENTE, CA 92673-0129

**CREDITOR LISTING**

MIDWESTERN ALLIANCE  
305 W BROADWAY  
NEW YORK, NY 10013-5306

**CREDITOR LISTING**

MONEY MART  
68461 E PALM CANYON DRIVE  
CATHEDRAL CITY, CA 92234-5424

**CREDITOR LISTING**

MULTI LOAN SOURCE  
621 MEDICIEN WAY #3  
UKIAH, CA 95482-8136

**CREDITOR LISTING**

OCWEN LOAN SERVICING, LLC  
PO BOX 660264  
DALLAS, TX 75266-0264

**CREDITOR LISTING**

PLUSFOUR INC  
PO BOX 95846  
LAS VEGAS, NV 89193-5846

**CREDITOR LISTING**

QC FINANCIAL SERVICES OF  
CA, INC.  
67460 E PALM CNYN  
CATHEDRAL CITY, CA 92234-  
5449

**CREDITOR LISTING**

SHANE MAMONE  
C/O SCM ENTERPRISES  
708 S MAIN STREET  
LAS VEGAS, NV 89101-6423

**CREDITOR LISTING**

SPEEDY CASH  
PO BOX 101928  
DEPT 2280  
BIRMINGHAM, AL 35210-6928

**CREDITOR LISTING**

STANISLAUS CREDIT CONTROL  
SERVICE, INC.  
PO BOX 480  
MODESTO, CA 95353-0480

**CREDITOR LISTING**

SWIFT FNDS  
927 DEEP VALLEY DR  
PALOS VERDES PENINSULA, CA  
90274-3808

**CREDITOR LISTING**

TRIBUTE  
PO BOX 105555  
ATLANTA, GA 30348-5555

**CREDITOR LISTING**

UNIVERSAL ORTHOPAEDIC  
GROUP  
1180 N. INDIAN CANYON DR.,  
#W201  
PALM SPRINGS, CA 92262-4876

**CREDITOR LISTING**

U.S. BANK N.A.  
1661 WORTHINGTON ROAD STE  
100  
WEST PALM BEACH, FL 33409-  
6493

**CREDITOR LISTING**

VCA DESERT ANIMAL HOSPITAL  
4299 RAMON RD  
PALM SPRINGS, CA 92264-1422

**CREDITOR LISTING**

VALLEY CREDITORS SVS  
PO BOX 5759  
LA QUINTA, CA 92248-5759

**CREDITOR LISTING**

ZOCALOANS  
PO BOX 1147  
MISSION, SD 57555-1147

**CREDITOR LISTING**

RICHARD HALDERMAN JR  
4000 BIRCH STREET, SUITE 113  
NEWPORT BEACH, CA 92660-2258

**CREDITOR LISTING**

RICHARD A HALDERMAN  
3857 BIRCH ST., STE 480  
NEWPORT BEACH, CA 92660-  
2616

**RETURNED MAIL**

**N/A**

RIVERSIDE DIVISION  
3420 TWELFTH STREET,  
RIVERSIDE, CA 92501-3819

**N/A**

LYNDA T. BUI (TR)  
SHULMAN HODGES & BASTIAN LLP  
3550 VINE STREET, SUITE 210  
RIVERSIDE, CA 92507-4175

**DUPLICATE**

FORD MOTOR CREDIT COMPANY  
C/O MACDOWELL & ASSOCIATES,  
LTD.  
3636 BIRCH STREET, SUITE 290  
NEWPORT BEACH, CA 92660-2656

**DUPLICATE**

FRANCHISE TAX BOARD  
BANKRUPTCY SECTION MS: A-  
340  
P.O. BOX 2952  
SACRAMENTO, CA 95812-2952